AVIVA INVESTORS INVESTMENT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 15 October 2018

avivainvestors.com

AVIVA INVESTORS

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* These items comprise the ACD Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ("the Regulations").

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

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

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. The ACD is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority.

DIRECTORS

I Buckle
J Misselbrook (resigned 23 November 2017)
S Ebenston
D Skinner
J Leadsom
D Clayton
G Miller (appointed 20 December 2017)
M Craston (appointed 1 November 2017)

REGISTRAR AND ADMINISTRATOR

DST Financial Services Europe Ltd
DST House
St Nicholas Lane
Basildon
Essex, SS15 5FS

FUND ACCOUNTING AND PRICING AGENT

J.P. Morgan Chase Bank, National Association (London Branch)
25 Bank Street
Canary Wharf
London, E14 5JP

INVESTMENT MANAGER

Aviva Investors Global Services Limited
St Helen's
1 Undershaft
London, EC3P 3DQ

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

TRUSTEE AND DEPOSITARY

Citibank Europe plc, UK Branch
Citigroup Centre
25 Canada Square, Canary Wharf
London, E14 5LB

Citibank Europe plc is authorised and regulated by the Central Bank of Ireland, however, the UK branch is subject to Financial Conduct Authority (FCA) regulation.

On 1 December 2018, the Depositary, Citibank Europe plc, UK Branch, was replaced by J.P. Morgan Europe Limited. J.P. Morgan Europe Limited is registered at 25 Bank Street, Canary Wharf, London E14 5JP. J.P. Morgan Europe Limited is authorised and regulated by the Financial Conduct Authority.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison St
Edinburgh, EH3 8EX

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Investment Funds ICVC ("the Company") is an Open-Ended Investment Company ("OEIC") with variable capital incorporated in England and Wales on 9 September 1998. The property of the Company is entrusted to Citibank Europe plc, UK Branch ("the Depositary"). The shareholders are not liable for any debts of the Company.

The object of the Company is to invest the scheme property in transferable securities, money market instruments, units in collective investment schemes, deposits and derivatives and forward transactions in accordance with the COLL Sourcebook with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of that property.

The Company has an umbrella structure and currently has eighteen sub-funds ("Funds") which are available for investment, each with a different investment objective. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives.

REMUNERATION POLICY

In line with the requirements of the Undertakings for Collective Investment in Transferable Securities Directive V ("UCITS V"), the ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the UCITS Directive.

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives. There are four components of pay: base salary; annual bonus (including deferred bonus); long term incentive plan; and benefits. Aviva believes in rewarding strong performance and the achievement of our business and individual goals; however, the manner in which these goals are achieved is also an important factor in determining outcomes. Annual bonus awards are discretionary and where bonuses are £75,000 and over a 3 year deferral with pro-rata vesting in Aviva Investors funds and/or Aviva Group plc shares occurs.

The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against personal objectives, including Risk and Control objectives, as well as Aviva Investors' and the business unit performance against agreed targets, which are a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

- The financial considerations includes the following comparisons:–
  - Actual results vs. prior period results
  - Actual results vs. agreed plans
  - Actual results relative to competitors
  - Actual results vs., and progress towards, our long-term target ambition.
- The non-financial considerations include risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions. In certain roles, adherence to Responsible Investment and ESG principles will also be a consideration.
- The Performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite, and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

The ACD has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2017, apportioned remuneration based on the time assessed to be spent on the ACD UCITs activity paid by Aviva Plc, the ultimate parent of the ACD, to its senior management team, and staff whose actions have a material impact on the risk profile of the ACD ("Code staff"), is as follows:

		Senior Management	Other Code Staff
Total Remuneration:		£0.4m	£0.2m
Of which,	Fixed Remuneration:	35%	56%
	Variable Remuneration:	58%	30%
	Pension/Benefits:	7%	14%
Number of Code staff:		11	11

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

AUTHORISED STATUS

From 9 September 1998 the Company has been authorised as an Open-Ended Investment Company under Regulation 7 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001). The Company is a UCITS Scheme operating under the COLL Sourcebook and is constituted as an "umbrella company" under the Regulations, which means that the Company issues shares linked to different Funds.

THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 15 October 2018. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the year. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding Annual General Meetings.

CHANGES TO THE PROSPECTUS

On 19 December 2017, the ACD launched a new sub-fund of the company, the Aviva Investors Global Equity Endurance Fund.

On 11 May 2018, the Prospectus was amended to include wording setting out for investors the circumstances in which unclaimed client money will be paid to charity in accordance with the FCA's rules.

SIGNIFICANT INFORMATION

On 4 June 2018, we made a number of changes to our entire fund range, including the Funds. This resulted in us replacing a variety of separate fees, costs and expenses of operating and administering our funds with a simple single fee called the "Fund Management Fee" or "FMF". In connection with this, we also lowered fees on a large number of our funds and reduced entry charges to zero on all but one of our funds. We also renamed certain share classes of certain funds and closed other share classes and moved any investors into an alternative share class of the same fund. The review of a Fund notes if it was affected by such a share class merger or renaming.

On 3 August 2018, the ACD launched an additional share class 5 of the Avvia Investors International Index Tracking Fund. Further details are set out in the ICVC's Prospectus.

On 7 September 2018, the explanatory wording in the investment objective for the Global Equity Income Fund was amended to reflect changes in tax legislation which Shareholders were previously notified of. In addition, the wording was updated to better reflect the basis (i.e. gross of fund charges including fund level tax charges) on which the income target is measured. These changes were purely clarificatory and do not affect the manner in which the Fund is or has historically been, managed.

On 1 December 2018, the Depositary, Citibank Europe plc, UK Branch, was replaced by J.P. Morgan Europe Limited. J.P. Morgan Europe Limited is registered at 25 Bank Street, Canary Wharf, London E14 5JP. J.P. Morgan Europe Limited is authorised and regulated by the Financial Conduct Authority.

On 2 January 2019, we changed the name of the below Funds:

Aviva Investors UK Equity Fund to Aviva Investors UK Listed Equity Unconstrained;

Aviva Investors UK Growth Fund to Aviva Investors UK Listed Small and Mid-Cap Fund;

Aviva Investors European Equity Fund to Aviva Investors Continental European Equity Fund.

On 2 January 2019, the investment objective and investment policy of the Aviva Investors UK Equity Fund, Aviva Investors UK Growth Fund and the Aviva Investors European Equity Fund were changed. As at the date of these financial statements, the Fund's investment objective and investment policy were as set out in each Fund's specific subsection of these financial statements.

MANAGER'S MARKET REVIEW

EQUITY MARKET REVIEW

Global equities, as measured by the MSCI World Index, rose by 5.1% in sterling terms in the twelve months to 15 October 2018. It was a choppy period for stock markets as confidence was undermined by worries about rising bond yields and the possibility that President Donald Trump's imposition of high import tariffs would escalate into a trade war with China, the European Union and other major markets. The technology sector was notably weak as a scandal over the alleged misuse of personal data by Facebook caused the share prices of major technology names to trade sharply lower. Energy-related stocks were on a firmer footing, however, as the oil price rose to a four-year high following production cuts and worries about renewed sanctions against Iran. The economic backdrop continued to be supportive of equities, with the momentum of global growth remaining encouraging. This was particularly the case in the US, where growth accelerated briskly in the summer on the back of tax cuts. Europe saw a fall in economic activity indicators, which led the FTSE® AW Europe ex-UK Index to underperform the global average, with a return of -6.5%. Emerging markets were also weak given the negative impact of a stronger US dollar and trade war concerns.

FIXED INCOME – CORPORATE AND HIGH-YIELD BONDS

Fixed-income markets posted negative returns in the twelve months under review as concerns grew that interest rates around the world were on the way up in response to improving economic growth and a general desire by central banks to normalise monetary policies. The European Central Bank announced that it was winding up its asset-purchasing programme, otherwise known as quantitative easing, while the Bank of England and the US Federal Reserve both raised interest rates and hinted that further hikes were on the way. Corporate bonds were volatile over the period given the fluctuations in the underlying government bond markets. Excess returns over government bonds fell into negative territory as investors grew concerned that the richly valued credit market would begin to unwind. High-yield bonds were the strongest area of fixed income as they are regarded as being more correlated to equities and less sensitive to rises in interest rates.

November 2018

Source of market data: FactSet, Bloomberg

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. 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.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 15 October 2018.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Management Association in May 2014 (SORP 2014), and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Both of which became effective for the accounting periods commencing 1 January 2015.

The Authorised Corporate Director intends to terminate the Aviva Investors Cash Fund within one year of the date of approval of the financial statements and therefore the financial statements of this Fund have been prepared on a basis other than going concern and any additional costs in respect of the termination of this Fund will be borne by the ACD. Comparative financial information continues to be prepared under the going concern basis. In applying this basis of preparation, the assets and liabilities of this Fund continues to be stated at their fair value which materially equate to their realisable values. No adjustments were necessary in the Fund's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination or to reclassify fixed assets and long term liabilities as current assets and liabilities.

All of the Funds have been prepared on a going concern basis.

b Share classes

The Funds have three types of share classes; retail shares (classes 1 and 6), institutional shares (classes A, 2 and 5) and shares held by associated undertakings of Aviva Plc (classes 3 and 9). Each class bears different charges and consequently the level of revenue allocated to each share class will differ. Some share classes consist of accumulation shares only, some consist of income shares only, whilst others consist of both accumulation and income shares.

c Recognition of revenue

Dividends are recognised when the investment is quoted ex-dividend. Interest arising on interest stocks is recognised on an effective yield basis. Deposit interest and other revenues are recognised on an accruals basis.

Revenue received from Collective Investment Schemes (CIS) is recognised when the CIS is quoted ex-dividend. Equalisation received as part of the revenue from CIS is deducted from the cost of the investment. Special dividends are either treated as income or capital depending on the facts of each dividend.

d Treatment of derivatives

In determining the accounting treatment for derivatives, consideration is given to the instrument itself and the Funds' objectives for investment in derivative instruments. Where positions are held to protect capital, the returns are treated as capital. Where positions are held to generate revenue, the returns are treated as revenue. Where positions generate total returns, these returns are apportioned between capital and revenue to properly reflect the nature of the transaction.

The revenue element in respect of futures is calculated by reference to the quoted yield of the relevant index compared to LIBOR. This revenue element will either be revenue or an expense, depending on whether the position held is "long" or "short".

Premiums received on options are treated as revenue or capital depending on the motives and circumstances of the transaction.

e Dilution Levy Policy

The Company reserves the right to charge a dilution levy (Investor Protection Fee) to protect existing investors in a fund from the costs of buying or selling investments that may result from the sale and/or purchase of shares in that Fund. The amount of any such dilution levy is calculated by reference to the estimated costs of dealing in the underlying investments, including any dealing spreads, broker commissions and taxes. When the Company impose a dilution levy on a particular investor or group of investors, this is paid into the Fund and helps to protect existing investors from the costs of the resultant transactions. For details of the circumstances in which a dilution levy may be imposed, dilution levies applied in a Fund historically, and on what values, please see that Fund's Prospectus.

f Underwriting commission

Underwriting commission is accounted for when the issue underwritten takes place and is normally taken to revenue. Where the Company is required to take up all the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of shares taken up and the balance is taken to revenue.

g Basis of valuation of investments

Quoted investments

The quoted investments of the Company have been valued at bid market value at midday on the last working day of the accounting period with the exception of Aviva Investors UK Index Tracking Fund which was valued at bid market value at 5.00 p.m and Aviva Investors Multi-Strategy Target Return Fund which was valued at bid market value at 11.59 p.m.

Unquoted and unapproved investments

The unquoted and unapproved investments of the Company have been valued by the Investment Manager using available information to arrive at an estimated fair value.

Suspended securities

Suspended securities have been valued at the suspended market price per share or valued by the Investment Manager using available information to arrive at an estimated fair value.

Delisted securities

Delisted securities have been valued at nil pence per share.

Forward foreign currency contracts

The Company's forward foreign currency positions on the last working day of the accounting period are included in the portfolio statement as an asset or liability so as to reflect the value of the aggregate positions in each currency.

Over the counter (OTC) derivatives

OTC derivatives are either valued by the relevant counterparty or by the investment manager using available information to arrive at an estimated fair value.

Exchange traded derivatives (ETDs)

ETDs are included at the aggregate unrealised market value of the open contracts.

CIS investments

CIS investments are valued at the last sale price available at the valuation point.

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

h Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at midday on the last working day of the accounting period for all Funds except for the Aviva Investors UK Index Tracking Fund which is translated at 5.00 p.m and Aviva Investors Multi-Strategy Target Return Fund which was valued at bid market value at 11.59 p.m. Revenue and expenditure items are translated at the rate ruling at the date of the transaction.

i Taxation and deferred taxation

Provision for Corporation Tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, and is calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

j Unclaimed distributions

Any distribution remaining unclaimed after a period of six years is paid back to the relevant Fund and forms part of the capital property of the Fund.

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate the Company will pay any surplus revenue as a revenue distribution or accumulation to capital. The following Funds were more than 60% invested in qualifying investments and so have proposed interest distributions:

– Aviva Investors Higher Income Plus Fund
– Aviva Investors Managed High Income Fund
– Aviva Investors Monthly Income Plus Fund
– Aviva Investors Distribution Fund
– Aviva Investors Corporate Bond Fund
– Aviva Investors Cash Fund
– Aviva Investors High Yield Bond Fund
– Aviva Investors Strategic Bond Fund

All other Funds have proposed dividend distributions. Full details are set out in the distribution tables.

b Treatment of stock dividends

The ordinary element of stock dividends is treated as revenue and forms part of the Fund's distribution. The value of the stock dividend is based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is treated as capital.

c Treatment of management expenses

All expenses are charged to revenue on an accruals basis. For the purposes of the distribution, 100% of the ACD's periodic charge of the Aviva Investors UK Equity Income Fund and the Aviva Investors Global Equity Income Fund, and 50% of the ACD's periodic charge of the Aviva Investors Distribution Fund, is deducted from capital.

FINANCIAL INSTRUMENTS

The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for liquidations, and debtors for accrued income.

The Company also enters into derivative transactions in the form of forward foreign currency contracts, credit default swaps, interest rate swaps, equity variance swaps, options and stock index futures. The Aviva Investors Multi-Strategy Target Return Fund uses these financial instruments as a cheaper or more liquid alternative to other investments, to hedge or reduce overall risk, or in pursuit of its investment objectives. All other Funds use these financial instruments for the purposes of efficient portfolio management. In particular, forward foreign currency contracts are used to manage currency risk arising from holdings of overseas securities. Stock index futures are used to manage market price risk arising from the time lag between funds being receivable or payable by the Company and investment or disinvestment in underlying securities.

Interest rate swaps and swaptions are generally held to mitigate exposure to interest rate movements which could adversely affect the value of bonds held within the Fund portfolios. Credit default swaps are used to manage credit risk through selling protection.

Interest and finance charges from interest rate swaps are taken to revenue. The premiums from credit default swaps are taken to revenue. The gains and losses on interest rate swaps and credit default swaps are taken to capital.

In accordance with requirements set out in the Collective Investment Schemes Sourcebook of the Financial Conduct Authority, such scheme transactions must be economically appropriate, any exposure must be fully covered and the transactions must be entered into with the aim of reducing risk and/or costs and/or generating additional capital or revenue for the scheme with no, or an acceptably low level of risk.

The Company's use of financial instruments satisfies these requirements and no trading in financial instruments is undertaken. The Company has exposure to a number of different risks to varying degrees. The main risks it faces from its financial instruments and the Manager's policies for managing these risks are summarised below:

a Foreign currency risk

The Funds can be exposed to foreign currency risk as a result of investing in assets denominated in currencies other than sterling. Where the manager deems it necessary, this exposure to foreign currency fluctuations is mitigated by the use of forward foreign currency contracts. Numerical disclosures can be found in the notes to the financial statements for each Fund.

b Interest rate risk

The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Manager manages this risk by maintaining a balanced portfolio with due consideration to interest rate and redemption profiles. Interest rate risk is also managed by ensuring that deposits mature within a relatively short period. Numerical disclosures can be found in the notes to the financial statements for each Fund.

POLICIES AND RISKS (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

c Market risk

The Funds' investment portfolios are exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objectives and policies of the Funds. Adherence to investment and borrowing powers set out in the Instrument of Incorporation and in the Collective Investment Schemes Sourcebook of the Financial Conduct Authority, mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolios is set out in the investment reports and portfolio statements, of the individual Funds.

d Credit risk

The Funds restrict their exposure to credit losses on derivative instruments by trading via international Swap and Derivative Association (ISDA) Master Arrangements with each counterparty. The Funds are exposed to the risk that a bond issuer may default on the interest payments or the redemption of the bond. The Funds manage this risk by due consideration to interest rate and redemption profiles and maintaining a balanced portfolio with the credit worthiness of the bond issuer.

e Liquidity risk

This is the risk that there is insufficient liquidity which restricts a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited.

f Counterparty Risk

There is a risk that the Counterparty will not be able to settle its obligations under the agreement. This is mitigated by an assessment of the credit worthiness of the Counterparty, and the use of multiple counterparties to ensure that no more than 20% of the Fund value is exposed to one counterparty.

Further information on the investment portfolio is set out in the investment reports and portfolio statements.

AVIVA INVESTORS UK EQUITY FUND

The name of the Fund was changed to the Aviva Investors UK Listed Equity Unconstrained Fund on 2 January 2019.

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.

As at the date of these financial statements, the Fund's investment objective and investment policy were as set out above. As a post balance sheet event and as noted in the Significant Information section earlier in this report, on 2 January 2019, these were amended. For full details of the revised investment objective and investment policy, please refer to the Fund's key investor information document or the Prospectus.

FUND MANAGER'S REPORT

On 4 June 2018, share class A of this Fund was closed and merged into share class 1.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -5.83 per cent (share class 1), net of fees, compared with an average return of -4.44 per cent for its peer group the Investment Association UK All Companies sector. The FTSE® All-Share Index, the Fund's benchmark, returned -3.05 per cent.

Review
The UK equity market has struggled to make progress over the last year. The market has faced the macroeconomic headwinds of global monetary tightening, especially in the US, and escalating global trade tensions most notably between the US and China, together with Brexit implications which are quite UK specific. The UK voted in June 2016 to leave the EU and progress on withdrawal negotiations since then has been slow with many stumbling blocks. The Brexit cut-off date is the 29 March 2019 and with five months to go it is still hard to forecast what will be in place by this date. Such uncertainty is preoccupying investors, as well as companies and consumers.

Consequently, sterling has fluctuated significantly over the last year as sentiment has swung around. However, despite these uncertainties, the UK economy has been resilient over the period with unemployment recording its lowest level since 1975 in August. While growth has been muted that has also been the case in mainland Europe. UK consumer spending has been affected this calendar year by extreme winter weather followed by the heatwave over the summer, both of which affected spending patterns, although a more concerning feature from a longer-term viewpoint is the decline in the household savings ratio.

Over the year under review, underweight positions in the oil & gas and healthcare sectors, along with exposure to technology stocks, were the main factors that detracted from relative performance against the FTSE® All-Share Index.

Oil & Gas was the strongest area of the UK equity market over the period, boosted by a rebound in the oil price, which rallied to just below $81/barrel (Brent Crude) at the end of the reporting year, its highest level since late 2014. Amongst the major energy stocks, the fund held an underweight position in Royal Dutch Shell and did not hold shares in BP.

We maintained limited exposure to the healthcare sector due to a lack of attractive investment opportunities. However, this detracted from performance as the sector remained a focal point for merger and acquisition activity. Irish pharmaceutical firm Shire, which the Fund did not hold, was the recipient of a takeover bid from Japanese pharmaceutical firm Takeda. We also did not hold shares in AstraZeneca, which reported better than expected interim results in the summer.

Amongst technology stocks, the performance of our holdings in Sage Group and Alfa Financial Software was disappointing. Shares in accounting software provider Sage underperformed as the company is undergoing a transition process, switching its business customer base to its cloud product and away from its traditional licence model. Alfa Financial Software, a provider of software to the asset finance industry, downgraded its short term financial expectations.

In the industrials sector, our holding in Melrose weakened due to concerns over the company's exposure to the autos sector as fears of a damaging trade dispute between the US and China escalated. Interim results from aircraft services group BBA Aviation were disappointing, exacerbated by restructuring charges which prompted analysts to downgrade their full-year earnings forecasts.

On a more encouraging note, several of our favoured companies in the consumer goods and financials sectors contributed to performance. Our holding in Fevertree Drinks performed very strongly during the year under review. Fevertree, a supplier of premium mixer drinks, has increased its market share globally and repeatedly upped earnings guidance throughout the reporting period. Interim results from Cineworld were encouraging with the ongoing integration of US-based Regal Entertainment, acquired in February, proceeding well. Our holding in Compass performed well as analysts upgraded their earnings expectations based on the catering group's interim results. Amongst financials, Hiscox and Intermediate Capital were key contributors. Hiscox performed well on encouraging interim results as gross premiums rose across all business segments, with particularly strong momentum within the London Market and Reinsurance segments. Intermediate Capital is a specialist manager of alternative assets in Europe which invests in a range of debt, private equity and real estate via closed-ended funds. Ultra-low interest rates by historical standards have pushed yield-driven institutional investors towards alternative assets. As a result, asset under management increased by approximately 20% last year with strong inflows continuing in recent months.

AVIVA INVESTORS UK EQUITY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Outlook

The macroeconomic and political backdrop for the UK equity market is likely to remain unstable and unpredictable over the coming months. On a monthly basis there have been large sentiment swings in commodities markets based on trade tensions and Chinese growth forecasts. Bond yields have fluctuated in response to forward guidance by central banks to manage expectations on monetary tightening, economic growth indicators and inflation data, while currency markets have reacted to perceived political turmoil based on Brexit negotiations and the Trump administration's trade policies. This volatility will likely continue as QE (quantitative easing) is unwound, interest rates gradually rise in the US and the UK, the US mid-term election results are announced, tariffs come into effect on exports to the US, while the UK finalises its exit terms from the EU.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 12 and 13 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
BHP Billiton	Unilever
Standard Chartered	Compass Group
International Consolidated Airlines Group	Rentokil Initial
OneSavings Bank	Reckitt Benckiser Group
Bellway	Smith & Nephew
Glencore	Worldpay
Severn Trent	Carnival
Melrose Industries	Diageo
Hiscox	Fevertree Drinks

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'.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	126.48	113.13	102.42
Return before operating charges†	(6.06)	17.55	14.52
Operating charges	(1.28)	(1.20)	(1.06)
Return after operating charges†	(7.34)	16.35	13.46
Distributions	(3.20)	(3.00)	(2.75)
Closing net asset value per share	115.94	126.48	113.13
† after direct transaction costs of	(0.58)	(0.11)	(0.11)
Performance			
Return after charges (%)	(5.80)%	14.45%	13.14%
Other information			
Closing net asset value (£000)	146,632	154,940	145,857
Closing number of shares	126,468,272	122,502,030	128,923,392
Operating charges (%)‡	1.01%	1.00%	1.00%
Direct transaction costs (%)#	0.46%	0.09%	0.10%
Prices≈			
Highest share price	131.51	128.28	117.05
Lowest share price	117.80	108.48	95.29

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	155.05	138.69	125.55
Return before operating charges†	(7.44)	21.53	17.81
Operating charges	(1.29)	(1.23)	(1.07)
Return after operating charges†	(8.73)	20.30	16.74
Distributions	(4.20)	(3.94)	(3.60)
Closing net asset value per share	142.12	155.05	138.69
† after direct transaction costs of	(0.71)	(0.13)	(0.13)
Performance			
Return after charges (%)	(5.63)%	14.64%	13.33%
Other information			
Closing net asset value (£000)	27,055	20,974	18,299
Closing number of shares	19,036,856	13,527,151	13,194,246
Operating charges (%)‡	0.83%	0.83%	0.82%
Direct transaction costs (%)#	0.46%	0.09%	0.10%
Prices≈			
Highest share price	161.24	157.39	143.60
Lowest share price	144.53	133.00	116.88

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	301.76	262.99	231.90
Return before operating charges†	(14.57)	41.12	33.07
Operating charges	(2.52)	(2.35)	(1.98)
Return after operating charges†	(17.09)	38.77	31.09
Distributions	(8.24)	(7.52)	(6.69)
Retained distributions on accumulation shares	8.24	7.52	6.69
Closing net asset value per share	284.67	301.76	262.99
† after direct transaction costs of	(1.39)	(0.25)	(0.24)
Performance			
Return after charges (%)	(5.66)%	14.74%	13.41%
Other information			
Closing net asset value (£000)	47,437	26,742	15,142
Closing number of shares	16,663,945	8,862,046	5,757,476
Operating charges (%)‡	0.83%	0.83%	0.82%
Direct transaction costs (%)#	0.46%	0.09%	0.10%
Prices≈			
Highest share price	317.78	301.98	268.14
Lowest share price	283.50	252.23	215.86

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	250.91	224.38	203.08
Return before operating charges†	(12.10)	34.87	28.87
Operating charges	(0.83)	(0.80)	(0.68)
Return after operating charges†	(12.93)	34.07	28.19
Distributions	(8.07)	(7.54)	(6.89)
Closing net asset value per share	229.91	250.91	224.38
† after direct transaction costs of	(1.15)	(0.21)	(0.21)
Performance			
Return after charges (%)	(5.15)%	15.18%	13.88%
Other information			
Closing net asset value (£000)	6,782	7,593	74,624
Closing number of shares	2,949,721	3,026,359	33,258,354
Operating charges (%)‡	0.33%	0.33%	0.32%
Direct transaction costs (%)#	0.46%	0.09%	0.10%
Prices≈			
Highest share price	261.04	255.28	232.85
Lowest share price	234.46	215.23	189.36

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Income shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	165.48	148.04	134.06
Return before operating charges†	(162.44)	22.94	18.96
Operating charges	(1.69)	(2.56)	(2.25)
Return after operating charges†	(164.13)	20.38	16.71
Distributions	(1.35)	(2.94)	(2.73)
Retained distributions	–	–	–
Closing net asset value per share	–	165.48	148.04
† after direct transaction costs of	–	(0.14)	(0.14)
Performance			
Return after charges (%)	–	13.77%	12.46%
Other information			
Closing net asset value (£000)	–	10,852	10,221
Closing number of shares	–	6,558,161	6,904,462
Operating charges (%)‡	1.63%	1.63%	1.62%
Direct transaction costs (%)#	–	0.09%	0.10%
Prices≈			
Highest share price	171.95	167.32	152.74
Lowest share price	154.87	141.91	124.47

§ The share class was closed on 1 June 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.00%	1.00%
Class 2	0.82%	0.83%
Class 3	0.32%	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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 1.00%. Please see the Prospectus for full details.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 93.51% (94.69%)				
Communication Services 9.38% (9.09%)				
Diversified Telecommunication Services 1.84% (2.07%)				
BT Group	GBP	1,747,328	4,191	1.84
			4,191	1.84
Entertainment 1.23% (0.00%)				
Cineworld Group	GBP	964,595	2,795	1.23
			2,795	1.23
Media 4.27% (4.20%)				
Informa	GBP	337,016	2,393	1.05
ITV	GBP	3,202,297	5,108	2.24
Sky	GBP	129,582	2,236	0.98
			9,737	4.27
Wireless Telecommunication Services 2.04% (2.82%)				
Vodafone Group	GBP	3,053,924	4,659	2.04
			4,659	2.04
Communication Services total			**21,382**	**9.38**
Consumer Discretionary 6.18% (7.73%)				
Hotels, Restaurants & Leisure 3.96% (5.78%)				
888 Holdings	GBP	1,321,347	2,536	1.11
Mitchells & Butlers	GBP	1,475,159	3,829	1.68
Thomas Cook Group	GBP	5,583,425	2,653	1.17
			9,018	3.96
Household Durables 2.22% (0.34%)				
Bellway	GBP	177,829	5,063	2.22
			5,063	2.22
Specialty Retail 0.00% (1.61%)				
Consumer Discretionary total			**14,081**	**6.18**
Consumer Staples 1.84% (14.30%)				
Beverages 0.00% (1.09%)				
Household Products 0.00% (3.80%)				
Personal Products 0.00% (4.98%)				
Tobacco 1.84% (4.43%)				
British American Tobacco	GBP	127,979	4,188	1.84
			4,188	1.84
Consumer Staples total			**4,188**	**1.84**
Energy 5.09% (4.67%)				
Oil, Gas & Consumable Fuels 5.09% (4.67%)				
Royal Dutch Shell 'B'	GBP	458,655	11,613	5.09
			11,613	5.09
Energy total			**11,613**	**5.09**
Financials 28.11% (18.22%)				
Banks 6.13% (2.62%)				
HSBC Holdings	GBP	1,208,137	7,569	3.32
Standard Chartered	GBP	1,135,459	6,397	2.81
			13,966	6.13

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Capital Markets 8.94% (7.97%)				
Close Brothers Group	GBP	413,103	6,060	2.66
Intermediate Capital Group	GBP	835,138	7,909	3.47
Rathbone Brothers	GBP	138,063	3,151	1.38
St James's Place	GBP	313,536	3,248	1.43
			20,368	8.94
Diversified Financial Services 0.82% (1.32%)				
Sherborne Investors Guernsey B	GBP	1,681,862	360	0.16
Sherborne Investors Guernsey C	GBP	2,042,321	1,501	0.66
			1,861	0.82
Insurance 9.59% (6.31%)				
Hiscox	GBP	305,908	4,904	2.15
Legal & General Group	GBP	1,220,830	2,986	1.31
Phoenix Group Holdings	GBP	512,253	3,160	1.39
Prudential	GBP	556,428	8,739	3.83
Sabre Insurance Group	GBP	799,603	2,079	0.91
			21,868	9.59
Thrifts & Mortgage Finance 2.63% (0.00%)				
OneSavings Bank	GBP	1,604,449	6,001	2.63
			6,001	2.63
Financials total			**64,064**	**28.11**
Health Care 4.08% (6.69%)				
Health Care Equipment & Supplies 0.00% (2.87%)				
Pharmaceuticals 4.08% (3.82%)				
GlaxoSmithKline	GBP	643,264	9,311	4.08
			9,311	4.08
Health Care total			**9,311**	**4.08**
Industrials 17.69% (16.85%)				
Airlines 2.53% (0.00%)				
International Consolidated Airlines Group	GBP	996,765	5,777	2.53
			5,777	2.53
Building Products 1.02% (1.07%)				
Volution Group	GBP	1,231,442	2,327	1.02
			2,327	1.02
Commercial Services & Supplies 0.60% (2.64%)				
Babcock International Group	GBP	217,390	1,371	0.60
			1,371	0.60
Electrical Equipment 2.90% (2.31%)				
Melrose Industries	GBP	3,982,369	6,601	2.90
			6,601	2.90
Industrial Conglomerates 1.41% (0.00%)				
Smiths Group	GBP	239,832	3,213	1.41
			3,213	1.41
Professional Services 3.46% (3.77%)				
RELX	GBP	527,189	7,884	3.46
			7,884	3.46
Road & Rail 0.00% (0.36%)				
Trading Companies & Distributors 2.81% (3.05%)				
Ashtead Group	GBP	332,762	6,397	2.81
			6,397	2.81

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Transportation Infrastructure 2.96% (3.65%)				
BBA Aviation	GBP	2,627,276	6,747	2.96
			6,747	2.96
Industrials total			**40,317**	**17.69**
Information Technology 2.51% (7.12%)				
IT Services 0.00% (2.43%)				
Software 2.51% (4.69%)				
Sage Group	GBP	1,028,154	5,721	2.51
			5,721	2.51
Information Technology total			**5,721**	**2.51**
Materials 14.36% (7.56%)				
Chemicals 0.00% (1.42%)				
Construction Materials 1.41% (0.49%)				
Breedon Group#	GBP	1,901,735	1,293	0.57
Ibstock	GBP	948,616	1,920	0.84
			3,213	1.41
Containers & Packaging 2.13% (2.11%)				
DS Smith	GBP	1,201,364	4,856	2.13
			4,856	2.13
Metals & Mining 10.82% (3.54%)				
Antofagasta	GBP	298,496	2,323	1.02
BHP Billiton	GBP	470,968	7,373	3.24
Glencore	GBP	1,635,606	5,128	2.25
Rio Tinto	GBP	266,631	9,832	4.31
			24,656	10.82
Materials total			**32,725**	**14.36**
Real Estate 1.26% (1.25%)				
Equity Real Estate Investment Trusts (REITs) 1.26% (1.25%)				
Tritax Big Box REIT	GBP	1,975,249	2,862	1.26
			2,862	1.26
Real Estate total			**2,862**	**1.26**
Utilities 3.01% (1.21%)				
Multi-Utilities 1.05% (1.21%)				
National Grid	GBP	302,884	2,382	1.05
			2,382	1.05
Water Utilities 1.96% (0.00%)				
Severn Trent	GBP	245,790	4,477	1.96
			4,477	1.96
Utilities total			**6,859**	**3.01**
Equities total			**213,123**	**93.51**
Liquidity Funds 5.18% (11.76%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	11,800,000	11,800	5.18
Liquidity Funds total			**11,800**	**5.18**
Investment assets			224,923	98.69
Net other assets			2,983	1.31
Net assets			**227,906**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
Security traded on another regulated market.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(20,377)		30,257
Revenue	3	8,520		9,736	
Expenses	4	(2,267)		(2,254)	
Net revenue before taxation		6,253		7,482	
Taxation	5	–		–	
Net revenue after taxation			6,253		7,482
Total return before distributions			**(14,124)**		**37,739**
Distributions	6		(6,262)		(7,482)
Change in net assets attributable to shareholders from investment activities			**(20,386)**		**30,257**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**221,101**		**264,143**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	43,968		25,145	
Amounts payable on cancellation of shares	(18,061)		(99,214)	
		25,907		(74,069)
Dilution adjustment		–		170
Change in net assets attributable to shareholders from investment activities (see above)		(20,386)		30,257
Retained distribution on accumulation shares		1,280		595
Unclaimed distribution monies		4		5
Closing net assets attributable to shareholders		**227,906**		**221,101**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	224,923	235,360
Current assets:			
Debtors	8	1,325	24,808
Cash and bank balances	9	7,634	16,123
Total assets		**233,882**	**276,291**
Liabilities:			
Creditors:			
Distribution payable		(2,818)	(2,630)
Other creditors	10	(3,158)	(52,560)
Total liabilities		**(5,976)**	**(55,190)**
Net assets attributable to shareholders		**227,906**	**221,101**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency losses	(2)	–
Expenses relating to the purchase and sale of investments	(2)	(1)
Non-derivative securities(losses)/gains	(20,373)	30,258
Net capital (losses)/gains	**(20,377)**	**30,257**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	2	4
Interest on debt securities	43	16
Overseas dividends	424	–
Property income distributions	127	82
UK dividends	7,924	9,614
Underwriting commission	–	20
Total revenue	**8,520**	**9,736**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	2,208	2,176
Registration fees	46	49
	2,254	2,225
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	20	38
Safe custody fee	3	5
	23	43
Other expenses:		
Audit fee**	7	11
Printing and postage expenses	1	10
Statement fee	6	–
	14	21
Total expenses	**2,291**	**2,289**
Less those expenses rebated by the ACD	(24)	(35)
Net expenses	**2,267**	**2,254**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,273 (2017: £8,848) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**6,253**	**7,482**
Corporation tax at 20%	1,251	1,496
Effects of:		
UK dividends not subject to corporation tax	(1,585)	(1,922)
Overseas dividends not subject to corporation tax	(85)	–
Movement in excess management expenses	419	426
	(1,251)	(1,496)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £9,924,993 (2017: £9,506,101) creating a potential deferred tax asset of £49,624,966 (2017: £47,530,507). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	2,791	3,275
Final distribution	3,581	3,009
	6,372	6,284
Add: Revenue deducted on cancellation of shares	87	1,395
Deduct: Revenue received on issue of shares	(197)	(197)
Total distributions	**6,262**	**7,482**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	6,262	7,482
Equalisation on conversions	(9)	–
Net revenue after taxation	**6,253**	**7,482**

Details of the distributions per share are set out in the distribution tables on page 25.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	213,123	209,360
Level 2: Observable market data	11,800	26,000
Total value	**224,923**	**235,360**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	592	492
Accrued expense fee rebate	–	4
Amounts receivable on issue of shares	233	797
Sales awaiting settlement	500	23,515
Total debtors	**1,325**	**24,808**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	7,634	16,123
Total cash and bank balances	**7,634**	**16,123**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	271	310
Amounts payable for cancellation of shares	201	52,250
Purchases awaiting settlement	2,686	–
Total other creditors	**3,158**	**52,560**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/ Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/ Fund Management Fee was £271,048 (2017: £266,067). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £214,278 (2017: £1,383,101). The amount outstanding at the year end was £123,120 (2017: £193,071). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

The total purchases and sales on these investments during the year amounted to £73,900,000 (2017: £53,200,000) and £88,100,000 (2017: 29,030,039) respectively. The income received during the year amounted to £43,481 (2017: £187,908).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	12,726	11,905	821
ACD and related parties (Class 2 Income shares)	1,224,003	453,546	770,457
ACD and related parties (Class 2 Accumulation shares)	1,953,179	832,674	1,120,505
ACD and related parties (Class 3 Income shares)	117,101	(2,909,258)	3,026,359
ACD and related parties (Class A Income shares)	–	(51,730)	51,730

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee are as follows:

Class 1: 1.00%
Class 2: 0.82%
Class 3: 0.32%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 12 and 13. The distributions per share are given in the distribution tables on page 25. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	122,502,030	3,462,173	(7,694,981)	8,199,050	126,468,272
Class 2 Income shares	13,527,151	7,236,072	(1,997,794)	271,427	19,036,856
Class 2 Accumulation shares	8,862,046	9,116,587	(1,314,688)	–	16,663,945
Class 3 Income shares	3,026,359	187,327	(263,965)	–	2,949,721
Class A Income shares	6,558,161	330,477	(362,573)	(6,526,065)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 0.04% (2017: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 8.53% (2017: 19.05%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Market price risk

At the year end date, 98.69% (2017: 106.45%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.87% (2017: 10.65%).

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (exclude Inspecie & Corporate Action activity)						
Equities	(121,565)	(66)	(985)	(122,616)	0.05%	0.81%
Funds	(73,900)	–	–	(73,900)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(2,324)	–	–	(2,324)	0.00%	0.00%
	(197,788)	(66)	(985)	(198,840)		
Sales (exclude Inspecie & Corporate Action activity)						
Equities	100,859	(55)	–	100,804	0.05%	0.00%
Funds	88,100	–	–	88,100	0.00%	0.00%
	188,959	(55)	–	188,904		
Total		(122)	(985)			
Percentage of Fund average net assets		0.05%	0.41%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (exclude Inspecie & Corporate Action activity)						
Equities	(26,865)	(22)	(151)	(27,038)	0.08%	0.56%
Funds	(53,200)	–	–	(53,200)	0.00%	0.00%
	(80,065)	(22)	(151)	(80,238)		
Sales (exclude Inspecie & Corporate Action activity)						
Equities	108,431	(74)	–	108,357	0.07%	0.00%
Funds	28,500	–	–	28,500	0.00%	0.00%
	136,931	(74)	–	136,857		
Total		(96)	(151)			
Percentage of Fund average net assets		0.04%	0.05%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.13% (2017: 0.13%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	1.7766	–	1.7766	1.7054
	Group 2	1.0004	0.7762	1.7766	1.7054
Class 2 Income shares	Group 1	2.3202	–	2.3202	2.2281
	Group 2	1.2705	1.0497	2.3202	2.2281
Class 3 Income shares	Group 1	4.4000	–	4.4000	4.1986
	Group 2	3.4537	0.9463	4.4000	4.1986
Class A Income shares	Group 1	0.0000	–	0.0000	1.7198
	Group 2	0.0000	0.0000	0.0000	1.7198

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 2 Accumulation shares	Group 1	4.5742	–	4.5742	4.2781
	Group 2	2.5587	2.0155	4.5742	4.2781

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

Interim distribution paid in pence per share for the six months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	1.4247	–	1.4247	1.2924
	Group 2	1.1135	0.3112	1.4247	1.2924
Class 2 Income shares	Group 1	1.8828	–	1.8828	1.7092
	Group 2	1.4417	0.4411	1.8828	1.7092
Class 3 Income shares	Group 1	3.6697	–	3.6697	3.3384
	Group 2	3.3160	0.3537	3.6697	3.3384
Class A Income shares	Group 1	1.3505	–	1.3505	1.2205
	Group 2	1.0648	0.2857	1.3505	1.2205

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 2 Accumulation shares	Group 1	3.6665	–	3.6665	3.2426
	Group 2	2.4068	1.2597	3.6665	3.2426

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

On 4 June 2018, share class 4 Acc of this Fund was closed and merged into share class A Acc, share class A Acc was in turn renamed as share class 1 Acc, and share classes A Inc and 4 Inc of this Fund were closed and merged into share class 1 Inc.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -4.99 per cent (share class 1), net of fees, compared with an average return of -4.80 per cent for its peer group the Investment Association UK Equity Income sector. The FTSE® All-Share Index, the Fund's benchmark, returned -3.05 per cent.

Review
The UK equity market has struggled to make progress over the last year. The market has faced the macroeconomic headwinds of global monetary tightening, especially in the US, and escalating global trade tensions most notably between the US and China, together with Brexit implications which are quite UK specific. The UK voted in June 2016 to leave the EU and progress on withdrawal negotiations since then has been slow with many stumbling blocks. The Brexit cut-off date is the 29 March 2019 and with five months to go it is still hard to forecast what will be in place by this date. Such uncertainty is preoccupying investors, as well as companies and consumers.

Consequently, sterling has fluctuated significantly over the last year as sentiment has swung around. However, despite these uncertainties, the UK economy has been resilient over the period with unemployment recording its lowest level since 1975 in August. While growth has been muted that has also been the case in mainland Europe. UK consumer spending has been affected this calendar year by extreme winter weather followed by the heatwave over the summer, both of which affected spending patterns, although a more concerning feature from a longer-term viewpoint is the decline in the household savings ratio.

Over the year under review, an underweight position in the oil & gas sector, along with exposure to industrials, were the main factors that detracted from relative performance against the FTSE® All-Share Index.

Oil & Gas was the strongest area of the UK equity market over the period, boosted by a rebound in the oil price, which rallied to just below $81/barrel (Brent Crude) at the end of the reporting year, its highest level since late 2014. Amongst the major energy stocks, the fund held underweight positions in Royal Dutch Shell and BP.

In the industrials sector, the performance of our holdings in Melrose, BBA Aviation, Babcock International and Ibstock was disappointing. Shares in Melrose weakened due to concerns over the company's exposure to the autos sector as fears of a damaging trade dispute between the US and China escalated. Interim results from aircraft services group BBA Aviation were disappointing, exacerbated by restructuring charges which prompted analysts to downgrade their full-year earnings forecasts. Outsourcing group Babcock was another detractor. The company lowered its revenue forecasts for the year after a review of defence spending has resulted in lower activity levels in its marine division, while sluggish government procurement has also affected its land business. Our holding in brick supplier Ibstock weakened after the company's management revealed that lower than anticipated production at its UK plants would mean that underlying full-year profits would most likely be below expectations, while a weather impacted start to the year and higher energy costs diluted interim earnings. However, the company reiterated demand from its customers remained strong and that it would be increasing maintenance activity to ensure that its plants can meet demand.

On a more encouraging note, several of our favoured stocks in the financials and consumer sectors contributed to performance. Amongst financials, holdings in Hiscox and Intermediate Capital performed well. Shares in Hiscox rose on encouraging interim results as gross premiums rose across all business segments, with particularly strong momentum within the London Market and Reinsurance segments. Intermediate Capital is a specialist manager of alternative assets in Europe which invests in a range of debt, private equity and real estate via closed-ended funds. Ultra-low interest rates by historical standards have pushed yield-driven institutional investors towards alternative assets. As a result, asset under management increased by approximately 20% last year with strong inflows continuing in recent months. Amongst consumer stocks, interim results from Cineworld were encouraging with the ongoing integration of US-based Regal Entertainment, acquired in February, proceeding well.

AVIVA INVESTORS UK EQUITY INCOME FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Outlook

The macroeconomic and political backdrop for the UK equity market is likely to remain unstable and unpredictable over the coming months. On a monthly basis there have been large sentiment swings in commodities markets based on trade tensions and Chinese growth forecasts. Bond yields have fluctuated in response to forward guidance by central banks to manage expectations on monetary tightening, economic growth indicators and inflation data, while currency markets have reacted to perceived political turmoil based on Brexit negotiations and the Trump administration's trade policies. This volatility will likely continue as QE (quantitative easing) is unwound, interest rates gradually rise in the US and the UK, the US mid-term election results are announced, tariffs come into effect on exports to the US, while the UK finalises its exit terms from the EU.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 28 to 30 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
HSBC Holdings	Aviva
St James's Place	Rio Tinto
Babcock International Group	Schroders
Melrose Industries	Unilever
GlaxoSmithKline	GlaxoSmithKline
IMI	BP
Schroders	WPP
Smiths Group	P2P Global Investments
BHP Billiton	British American Tobacco

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'.
- The level of targeted income is not guaranteed and may not be achieved.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	95.52	89.53	83.72
Return before operating charges†	(3.71)	10.92	10.34
Operating charges	(0.96)	(0.93)	(0.86)
Return after operating charges†	(4.67)	9.99	9.48
Distributions	(4.18)	(4.00)	(3.67)
Closing net asset value per share	86.67	95.52	89.53
† after direct transaction costs of	(0.29)	(0.07)	(0.04)
Performance			
Return after charges (%)	(4.89)%	11.16%	11.32%
Other information			
Closing net asset value (£000)	176,430	143,317	139,287
Closing number of shares	203,570,023	150,037,296	155,582,460
Operating charges (%)‡	1.00%	1.00%	1.00%
Direct transaction costs (%)#	0.30%	0.07%	0.05%
Prices≈			
Highest share price	100.13	98.26	93.33
Lowest share price	89.00	85.65	78.00

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	153.62	143.59	133.91
Return before operating charges†	(5.99)	17.55	16.55
Operating charges	(1.26)	(1.22)	(1.12)
Return after operating charges†	(7.25)	16.33	15.43
Distributions	(6.64)	(6.30)	(5.75)
Closing net asset value per share	139.73	153.62	143.59
† after direct transaction costs of	(0.46)	(0.11)	(0.07)
Performance			
Return after charges (%)	(4.72)%	11.37%	11.52%
Other information			
Closing net asset value (£000)	138,020	143,027	143,406
Closing number of shares	98,776,367	93,103,331	99,870,076
Operating charges (%)‡	0.81%	0.82%	0.81%
Direct transaction costs (%)#	0.30%	0.07%	0.05%
Prices≈			
Highest share price	161.28	157.86	149.62
Lowest share price	143.47	137.40	124.83

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	164.58	148.80	134.35
Return before operating charges†	(6.45)	18.30	16.68
Operating charges	(2.34)	(2.52)	(2.23)
Return after operating charges†	(8.79)	15.78	14.45
Distributions	(7.17)	(6.57)	(5.80)
Retained distributions on accumulation shares	7.17	6.57	5.80
Closing net asset value per share	155.79	164.58	148.80
† after direct transaction costs of	(0.50)	(0.11)	(0.07)
Performance			
Return after charges (%)	(5.34)%	10.60%	10.76%
Other information			
Closing net asset value (£000)	4,177	5,239	4,937
Closing number of shares	2,681,406	3,183,513	3,318,555
Operating charges (%)‡	1.40%	1.62%	1.61%
Direct transaction costs (%)#	0.30%	0.07%	0.05%
Prices≈			
Highest share price	175.41	165.65	151.77
Lowest share price	155.54	142.26	124.90

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	200.85	180.15	161.37
Return before operating charges†	(7.97)	22.24	20.14
Operating charges	(1.66)	(1.54)	(1.36)
Return after operating charges†	(9.63)	20.70	18.78
Distributions	(8.79)	(7.99)	(7.00)
Retained distributions on accumulation shares	8.79	7.99	7.00
Closing net asset value per share	191.22	200.85	180.15
† after direct transaction costs of	(0.61)	(0.13)	(0.08)
Performance			
Return after charges (%)	(4.79)%	11.49%	11.64%
Other information			
Closing net asset value (£000)	63,619	56,773	71,162
Closing number of shares	33,269,976	28,266,645	39,501,131
Operating charges (%)‡	0.81%	0.82%	0.81%
Direct transaction costs (%)#	0.30%	0.07%	0.05%
Prices≈			
Highest share price	215.10	201.56	183.70
Lowest share price	190.49	172.42	150.41

COMPARATIVE TABLES (CONTINUED)

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	212.33	197.62	183.51
Return before operating charges†	(8.33)	24.21	22.76
Operating charges	(0.68)	(0.65)	(0.60)
Return after operating charges†	(9.01)	23.56	22.16
Distributions	(9.31)	(8.85)	(8.05)
Closing net asset value per share	194.01	212.33	197.62
† after direct transaction costs of	(0.64)	(0.15)	(0.09)
Performance			
Return after charges (%)	(4.24)%	11.92%	12.08%
Other information			
Closing net asset value (£000)	523,909	534,019	506,551
Closing number of shares	270,036,746	251,498,975	256,329,095
Operating charges (%)‡	0.32%	0.32%	0.31%
Direct transaction costs (%)#	0.30%	0.07%	0.05%
Prices≈			
Highest share price	223.52	217.86	205.96
Lowest share price	199.22	189.23	171.35

Financial year Class 4 Income shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	133.50	125.16	117.07
Return before operating charges†	(129.96)	15.28	14.44
Operating charges	(0.94)	(1.45)	(1.33)
Return after operating charges†	(130.90)	13.83	13.11
Distributions	(2.60)	(5.49)	(5.02)
Closing net asset value per share	–	133.50	125.16
† after direct transaction costs of	–	(0.09)	(0.06)
Performance			
Return after charges (%)	–	11.05%	11.20%
Other information			
Closing net asset value (£000)	–	36,468	35,099
Closing number of shares	–	27,317,640	28,043,610
Operating charges (%)‡	1.12%	1.12%	1.11%
Direct transaction costs (%)#	–	0.07%	0.05%
Prices≈			
Highest share price	139.90	137.33	130.42
Lowest share price	126.45	119.71	109.03

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	326.72	291.59	259.89
Return before operating charges†	(13.05)	36.10	32.55
Operating charges	(1.06)	(0.97)	(0.85)
Return after operating charges†	(14.11)	35.13	31.70
Distributions	(14.48)	(13.19)	(11.52)
Retained distributions on accumulation shares	14.48	13.19	11.52
Closing net asset value per share	312.61	326.72	291.59
† after direct transaction costs of	(1.00)	(0.22)	(0.13)
Performance			
Return after charges (%)	(4.32)%	12.05%	12.20%
Other information			
Closing net asset value (£000)	7,735	8,809	9,015
Closing number of shares	2,474,415	2,696,185	3,091,577
Operating charges (%)‡	0.32%	0.32%	0.31%
Direct transaction costs (%)#	0.30%	0.07%	0.05%
Prices≈			
Highest share price	350.96	327.29	297.30
Lowest share price	310.55	279.27	242.63

Financial year Class 4 Accumulation shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	162.11	145.84	131.35
Return before operating charges†	(160.97)	17.99	16.00
Operating charges	(1.14)	(1.72)	(1.51)
Return after operating charges†	(162.11)	16.27	14.49
Distributions	(3.16)	(6.46)	(5.68)
Retained distributions on accumulation shares	3.16	6.46	5.68
Closing net asset value per share	–	162.11	145.84
† after direct transaction costs of	–	(0.11)	(0.07)
Performance			
Return after charges (%)	–	11.16%	11.03%
Other information			
Closing net asset value (£000)	–	234	163
Closing number of shares	–	144,354	111,548
Operating charges (%)‡	1.12%	1.12%	1.11%
Direct transaction costs (%)#	0.00%	0.07%	0.05%
Prices≈			
Highest share price	173.30	162.87	148.73
Lowest share price	153.55	139.53	122.00

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Income shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	125.76	118.50	111.41
Return before operating charges†	(122.03)	14.43	13.68
Operating charges	(1.28)	(1.99)	(1.83)
Return after operating charges†	(123.31)	12.44	11.85
Distributions	(2.45)	(5.18)	(4.76)
Closing net asset value per share	–	125.76	118.50
† after direct transaction costs of	–	(0.09)	(0.06)
Performance			
Return after charges (%)	–	10.50%	10.64%
Other information			
Closing net asset value (£000)	–	24,699	25,812
Closing number of shares	–	19,639,814	21,782,282
Operating charges (%)‡	1.62%	1.62%	1.61%
Direct transaction costs (%)#	0.00%	0.07%	0.05%
Prices≈			
Highest share price	131.39	129.61	123.51
Lowest share price	118.86	113.27	103.59

§ The share class was closed on 1 June 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.00%	1.00%
Class 2	0.81%	0.82%
Class 3	0.32%	0.32%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 1.00%. Please see the Prospectus for full details.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 100.67% (97.28%)				
Communication Services 12.54% (11.03%)				
Diversified Telecommunication Services 5.03% (3.78%)				
BT Group	GBP	12,994,780	31,168	3.41
KCOM Group	GBP	15,853,224	14,791	1.62
			45,959	5.03
Entertainment 1.55% (0.00%)				
Cineworld Group	GBP	4,883,753	14,153	1.55
			14,153	1.55
Media 3.94% (4.02%)				
Informa	GBP	2,253,591	16,000	1.75
ITV	GBP	12,547,650	20,014	2.19
			36,014	3.94
Wireless Telecommunication Services 2.02% (3.23%)				
Vodafone Group	GBP	12,095,958	18,454	2.02
			18,454	2.02
Communication Services total			**114,580**	**12.54**
Consumer Discretionary 4.50% (4.62%)				
Distributors 0.55% (0.67%)				
Headlam Group	GBP	1,102,866	5,001	0.55
			5,001	0.55
Hotels, Restaurants & Leisure 3.12% (2.24%)				
Carnival	GBP	197,437	8,537	0.93
Compass Group	GBP	1,286,152	19,993	2.19
			28,530	3.12
Household Durables 0.83% (0.81%)				
DFS Furniture	GBP	3,664,057	7,640	0.83
			7,640	0.83
Specialty Retail 0.00% (0.90%)				
Consumer Discretionary total			**41,171**	**4.50**
Consumer Staples 9.03% (12.39%)				
Beverages 1.07% (0.00%)				
Diageo	GBP	390,043	9,831	1.07
			9,831	1.07
Personal Products 3.22% (5.32%)				
Unilever	GBP	746,750	29,433	3.22
			29,433	3.22
Tobacco 4.74% (7.07%)				
British American Tobacco	GBP	526,611	17,234	1.89
Imperial Brands	GBP	1,024,742	26,059	2.85
			43,293	4.74
Consumer Staples total			**82,557**	**9.03**
Energy 6.65% (7.79%)				
Oil, Gas & Consumable Fuels 6.65% (7.79%)				
BP	GBP	2,716,481	15,152	1.66
Royal Dutch Shell 'B'	GBP	1,800,303	45,584	4.99
			60,736	6.65
Energy total			**60,736**	**6.65**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 28.82% (25.63%)				
Banks 2.40% (0.00%)				
HSBC Holdings	GBP	3,501,861	21,939	2.40
			21,939	2.40
Capital Markets 11.72% (10.86%)				
Close Brothers Group	GBP	872,888	12,805	1.40
Intermediate Capital Group	GBP	4,142,504	39,230	4.29
Rathbone Brothers	GBP	581,710	13,275	1.45
River & Mercantile Group	GBP	3,591,542	10,487	1.15
Schroders	GBP	490,217	13,535	1.48
St James's Place	GBP	1,719,393	17,813	1.95
			107,145	11.72
Diversified Financial Services 0.48% (0.71%)				
Sherborne Investors Guernsey B	GBP	3,780,229	809	0.09
Sherborne Investors Guernsey C	GBP	4,857,185	3,570	0.39
			4,379	0.48
Insurance 14.22% (14.06%)				
Beazley	GBP	2,289,105	11,984	1.31
Hiscox	GBP	1,308,581	20,977	2.29
Legal & General Group	GBP	9,404,067	23,002	2.52
Phoenix Group Holdings	GBP	4,972,019	30,677	3.36
Prudential	GBP	2,075,155	32,590	3.57
Sabre Insurance Group	GBP	4,108,028	10,681	1.17
			129,911	14.22
Financials total			**263,374**	**28.82**
Health Care 6.26% (5.83%)				
Pharmaceuticals 6.26% (5.83%)				
AstraZeneca	GBP	330,844	18,524	2.03
GlaxoSmithKline	GBP	2,671,370	38,665	4.23
			57,189	6.26
Health Care total			**57,189**	**6.26**
Industrials 15.46% (12.46%)				
Aerospace & Defense 2.13% (1.98%)				
BAE Systems	GBP	3,415,682	19,422	2.13
			19,422	2.13
Building Products 0.31% (0.70%)				
Volution Group	GBP	1,488,931	2,814	0.31
			2,814	0.31
Commercial Services & Supplies 1.69% (0.00%)				
Babcock International Group	GBP	2,448,900	15,438	1.69
			15,438	1.69
Electrical Equipment 3.27% (2.53%)				
Melrose Industries	GBP	18,052,191	29,921	3.27
			29,921	3.27
Industrial Conglomerates 1.39% (0.00%)				
Smiths Group	GBP	951,039	12,739	1.39
			12,739	1.39

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Machinery 1.39% (0.00%)				
IMI	GBP	1,308,240	12,690	1.39
			12,690	1.39
Professional Services 1.95% (2.98%)				
RELX	GBP	1,193,735	17,852	1.95
			17,852	1.95
Road & Rail 0.00% (0.24%)				
Transportation Infrastructure 3.33% (4.03%)				
BBA Aviation	GBP	11,840,604	30,407	3.33
			30,407	3.33
Industrials total			**141,283**	**15.46**
Information Technology 1.83% (2.68%)				
Electronic Equipment, Instruments & Components 0.00% (0.49%)				
Software 1.83% (2.19%)				
Sage Group	GBP	3,002,396	16,705	1.83
			16,705	1.83
Information Technology total			**16,705**	**1.83**
Investment Funds 2.15% (3.80%)				
Investment Companies 2.15% (3.80%)				
Foresight Solar Fund	GBP	5,000,000	5,425	0.59
Greencoat UK Wind Fund	GBP	11,261,868	14,258	1.56
			19,683	2.15
Investment Funds total			**19,683**	**2.15**
Materials 8.83% (8.32%)				
Construction Materials 1.10% (1.22%)				
Ibstock	GBP	4,947,654	10,014	1.10
			10,014	1.10
Containers & Packaging 1.33% (1.82%)				
DS Smith	GBP	3,010,437	12,168	1.33
			12,168	1.33
Metals & Mining 6.40% (5.28%)				
BHP Billiton	GBP	2,435,036	38,123	4.17
Rio Tinto	GBP	553,029	20,393	2.23
			58,516	6.40
Materials total			**80,698**	**8.83**
Real Estate 1.52% (0.48%)				
Equity Real Estate Investment Trusts (REITs) 1.52% (0.48%)				
GCP Student Living	GBP	3,246,376	4,785	0.52
Tritax Big Box REIT	GBP	6,312,396	9,147	1.00
			13,932	1.52
Real Estate total			**13,932**	**1.52**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Utilities 3.08% (2.25%)				
Multi-Utilities 2.06% (2.25%)				
National Grid	GBP	2,387,164	18,773	2.06
			18,773	2.06
Water Utilities 1.02% (0.00%)				
Severn Trent	GBP	512,466	9,334	1.02
			9,334	1.02
Utilities total			**28,107**	**3.08**
Equities total			**920,015**	**100.67**
Liquidity Funds 0.00% (1.47%)				
Investment assets			920,015	100.67
Net other liabilities			(6,125)	(0.67)
Net assets			**913,890**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(87,230)		71,717
Revenue	3	42,841		40,997	
Expenses	4	(5,712)		(5,702)	
Net revenue before taxation		37,129		35,295	
Taxation	5	(1)		(15)	
Net revenue after taxation			37,128		35,280
Total return before distributions			**(50,102)**		**106,997**
Distributions	6		(42,390)		(40,401)
Change in net assets attributable to shareholders from investment activities			**(92,492)**		**66,596**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**952,585**		**935,432**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	131,087		59,760	
Amounts payable on cancellation of shares	(81,087)		(112,131)	
		50,000		(52,371)
Dilution adjustment		404		65
Change in net assets attributable to shareholders from investment activities (see above)		(92,492)		66,596
Retained distribution on accumulation shares		3,377		2,851
Unclaimed distribution monies		16		12
Closing net assets attributable to shareholders		**913,890**		**952,585**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	920,015	940,652
Current assets:			
Debtors	8	2,188	3,452
Cash and bank balances	9	14,989	31,211
Total assets		**937,192**	**975,315**
Liabilities:			
Creditors:			
Distribution payable on income shares		(21,953)	(21,325)
Other creditors	10	(1,349)	(1,405)
Total liabilities		**(23,302)**	**(22,730)**
Net assets attributable to shareholders		**913,890**	**952,585**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency losses	(5)	–
Expenses relating to the purchase and sale of investments	(2)	(3)
Non-derivative securities (losses)/gains	(87,223)	71,720
Net capital (losses)/gains	**(87,230)**	**71,717**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	78	3
Interest on debt securities	16	17
Overseas dividends	3,167	3,165
Property income distributions	338	182
UK dividends	39,242	37,535
Underwriting commission	–	95
Total revenue	**42,841**	**40,997**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	5,470	5,311
Registration fees	170	274
	5,640	5,585
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	47	75
Interest payable	–	2
Safe custody fee	10	15
	57	92
Other expenses:		
Audit fee**	7	11
Printing and postage expenses	1	3
Statement fees	20	31
	28	45
Total expenses	**5,725**	**5,722**
Less those expenses rebated by the ACD	(13)	(20)
Total expenses	**5,712**	**5,702**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,273 (2017: £8,848) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Adjustments in respect of prior periods	–	(153)
Overseas tax suffered	1	168
Total current tax (see note 5b)	**1**	**15**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**37,129**	**35,295**
Corporation tax at 20%	7,426	7,059
Effects of:		
UK dividends not subject to corporation tax	(7,663)	(7,201)
Overseas dividends not subject to corporation tax	(634)	(633)
Irrecoverable overseas withholding tax	1	168
Movement in excess management expenses	871	775
Adjustments in respect of prior periods	–	(153)
	(7,425)	(7,044)
Current tax charge (see note 5a)	**1**	**15**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £51,884,923 (2017: £47,530,507) creating a potential deferred tax asset of £10,376,985 (2017: £9,506,101). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	18,735	16,671
Final distribution	23,877	22,989
	42,612	39,660
Add: Revenue deducted on cancellation of shares	762	1,252
Deduct: Revenue received on issue of shares	(984)	(511)
Total distributions	**42,390**	**40,401**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	42,390	40,401
ACD's periodic charge borne by the capital account	(5,471)	(5,311)
Equalisation on conversions	(6)	–
Tax relief on capitalised ACD's periodic charge	214	190
Undistributed revenue carried forward	1	–
Net revenue after taxation	**37,128**	**35,280**

Details of the distributions per share are set out in the distribution tables on page 43 to 44.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	920,015	926,652
Level 2: Observable market data	–	14,000
Total value	**920,015**	**940,652**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	1,723	2,105
Accrued expense fee rebate	–	2
Amounts receivable on issue of shares	427	587
Income tax recoverable	–	192
Overseas tax recoverable	38	–
Sales awaiting settlement	–	566
Total debtors	**2,188**	**3,452**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	14,989	31,211
Total cash and bank balances	**14,989**	**31,211**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	675	767
Amounts payable for cancellation of shares	518	638
Purchases awaiting settlement	156	–
Total other creditors	**1,349**	**1,405**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £675,396 (2017: £623,723). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £25,280,135 (2017: £23,353,472). The amount outstanding at the year end was £14,339,370 (2017: £13,578,506). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £67,170,734 (2017: £74,200,000) and £109,106,951 (2017: £86,100,000) respectively. The income received during the year amounted to £1,055,456 (2017: £1,579,987).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	45,482	32,103	13,379
ACD and related parties (Class 2 Income shares)	5,200,276	490,498	4,709,778
ACD and related parties (Class 3 Income shares)	270,036,746	18,537,771	251,498,975
ACD and related parties (Class A Income shares)	–	(2,902,060)	2,902,060
ACD and related parties (Class 2 Accumulation shares)	4,786,609	1,314,079	3,472,530
ACD and related parties (Class 3 Accumulation shares)	2,474,415	(221,770)	2,696,185

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has five share classes: Class 1, 4, and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.00%
Class 2: 0.81%
Class 3: 0.32%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 28 to 30. The distributions per share are given in the distribution tables on page 43 and 44. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	150,037,296	6,680,885	(11,875,065)	58,726,907	203,570,023
Class 2 Income shares	93,103,331	8,568,083	(5,661,607)	2,766,560	98,776,367
Class 3 Income shares	251,498,975	43,918,535	(25,380,764)	–	270,036,746
Class 4 Income shares	27,317,640	637,450	(841,746)	(27,113,344)	–
Class A Income shares	19,639,814	695,441	(1,107,003)	(19,228,252)	–
Class 1 Accumulation shares	3,183,513	286,535	(193,019)	(595,623)	2,681,406
Class 2 Accumulation shares	28,266,645	6,367,397	(1,931,956)	567,890	33,269,976
Class 3 Accumulation shares	2,696,185	18,548	(240,318)	–	2,474,415
Class 4 Accumulation shares	144,354	8,458	(9,071)	(143,741)	–

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 0.06% (2017: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 1.64% (2017: 4.75%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 100.67% (2017: 98.75%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 10.07% (2017: 9.88%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding corporate actions)						
Equities	(318,076)	(186)	(2,690)	(320,952)	0.06%	0.85%
Funds	(66,500)	–	–	(66,500)	0.00%	0.00%
Purchases (corporate action activity only)						
Equities	(15,179)	–	–	(15,179)	0.00%	0.00%
	(399,755)	(186)	(2,690)	(402,631)		
Sales						
Equities	254,498	(135)	–	254,363	0.05%	0.00%
Funds	80,500	–	–	80,500	0.00%	0.00%
	334,998	(135)	–	334,863		
Total		(321)	(2,690)			
Percentage of Fund average net assets		0.03%	0.27%			

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding corporate actions)						
Equities	(81,047)	(64)	(494)	(81,605)	0.08%	0.61%
Funds	(74,200)	–	–	(74,200)	0.00%	0.00%
Purchases (corporate action activity only)						
Equities	(7,274)	–	–	(7,274)	0.00%	0.00%
	(162,521)	(64)	(494)	(163,079)		
Sales						
Equities	136,654	(81)	–	136,573	0.06%	0.00%
Bonds	85,500	–	–	85,500	0.00%	0.00%
	222,154	(81)	–	222,073		
Total		(145)	(494)			
Percentage of Fund average net assets		0.02%	0.05%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.13% (2017: 0.19%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	2.2750	–	2.2750	2.3254
	Group 2	1.2866	0.9884	2.2750	2.3254
Class 2 Income shares	Group 1	3.6482	–	3.6482	3.6772
	Group 2	1.7464	1.9018	3.6482	3.6772
Class 3 Income shares	Group 1	5.0801	–	5.0801	5.1475
	Group 2	3.6619	1.4182	5.0801	5.1475
Class 4 Income shares	Group 1	0.0000	–	0.0000	3.1981
	Group 2	0.0000	0.0000	0.0000	3.1981
Class A Income shares	Group 1	0.0000	–	0.0000	3.0170
	Group 2	0.0000	0.0000	0.0000	3.0170

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	3.9736	–	3.9736	3.8558
	Group 2	1.8986	2.0750	3.9736	3.8558
Class 2 Accumulation shares	Group 1	4.8700	–	4.8700	4.6953
	Group 2	2.2148	2.6552	4.8700	4.6953
Class 3 Accumulation shares	Group 1	7.9766	–	7.9766	7.7330
	Group 2	7.9766	0.0000	7.9766	7.7330
Class 4 Accumulation shares	Group 1	0.0000	–	0.0000	3.7926
	Group 2	0.0000	0.0000	0.0000	3.7926

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the six months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	1.9025	–	1.9025	1.6783
	Group 2	1.3072	0.5953	1.9025	1.6783
Class 2 Income shares	Group 1	2.9945	–	2.9945	2.6266
	Group 2	1.4898	1.5047	2.9945	2.6266
Class 3 Income shares	Group 1	4.2256	–	4.2256	3.7001
	Group 2	2.9280	1.2976	4.2256	3.7001
Class 4 Income shares	Group 1	2.5973	–	2.5973	2.2874
	Group 2	1.7779	0.8194	2.5973	2.2874
Class A Income shares	Group 1	2.4456	–	2.4456	2.1625
	Group 2	1.2019	1.2437	2.4456	2.1625

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	3.2004	–	3.2004	2.7161
	Group 2	2.0476	1.1528	3.2004	2.7161
Class 2 Accumulation shares	Group 1	3.9151	–	3.9151	3.2959
	Group 2	2.0618	1.8533	3.9151	3.2959
Class 3 Accumulation shares	Group 1	6.5017	–	6.5017	5.4608
	Group 2	0.0000	6.5017	6.5017	5.4608
Class 4 Accumulation shares	Group 1	3.1554	–	3.1554	2.6660
	Group 2	0.5133	2.6421	3.1554	2.6660

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS UK GROWTH FUND

The name of the Fund was changed to the Aviva Investors UK Listed Small and Mid-Cap Fund on 2 January 2019.

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.

As at the date of these financial statements, the Fund's investment objective and investment policy were as set out above. As a post balance sheet event and as noted in the Significant Information section earlier in this report, on 2 January 2019, these were amended. For full details of the revised investment objective and investment policy, please refer to the Fund's key investor information document or the Prospectus.

FUND MANAGER'S REPORT

On 4 June 2018, share class A of this Fund was closed and merged into share class 1.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -3.81 per cent, net of fees, compared with an average return of -4.44 per cent for its peer group the Investment Association All-Companies sector. The FTSE® All-Share Index, the Fund's benchmark returned -3.05 per cent.

Review
UK equity markets were volatile during the period and culminated in a weak October to result in a negative return for the year. The sell-off didn't manifest from something new but rather seemed to be an amalgamation of the issues investors have been concerned about all year; extended valuations, escalation of the US/China trade war, a slowdown in China and Brexit uncertainty. The FTSE® 250 Index was comfortably outperforming the FTSE® 100 Index throughout the period albeit the October sell-off saw it lose all its absolute and relative gains. Accompanying this was a sharp rotation out of quality and growth companies into value stocks. These were unfavourable rotations given fund positioning.

Stock selection was strong with performance coming from the fund's longstanding largest positions, including Fevertree, Dechra Pharmaceuticals, and Keywords Studios and bids for holdings in ZPG and Cityfibre. Fevertree, a supplier of premium mixer drinks, continues to be a phenomenal growth story and repeatedly upped earnings guidance throughout the reporting period. Dechra continued its strong financial track record reporting mid-teens revenue growth and faster profit growth due to margin expansion. However, the shares have come under pressure since their recent results when investors inferred an incremental and adverse change in two end market dynamics; vet practice consolidation leading to increased discounting to this customer base and US distributors white labelling generic versions of animal healthcare drugs. The fund managers remain confident that Dechra can continue to manage these changes without any meaningful impact on its prospects. Holdings in Fevertree, Dechra Pharmaceuticals and Keywords Studios were all reduced following meaningful share price outperformance before the market sold off late in the reporting period.

ZPG, owner of a suite of price comparison websites including Zoopla, received a bid from private equity firm Silver Lake, at an attractive takeout multiple. The holding in Cityfibre, the UK provider of metro and consumer fibre optics to the home broadband market, positively contributed after receiving a bid at a 93% premium by a consortium of infrastructure private equity firms called Connect Infrastructure. In both cases, it is thought that operating outside of the public markets will allow for accelerated investment in product, technology and acquisitions in fast-changing markets without investor scrutiny on meeting short-term earnings targets.

The new position in Cineworld, initiated following the reverse takeover of the second largest US cinema operator Regal at the start of this year, positively contributed. The maiden results post takeover showed a marked improvement in Regal's trading performance and management flagged a heightened level of confidence in delivering on the turnaround plan announced at the time of the deal.

The Fund's underweight to the Oil & Gas sector acted as a headwind to performance, with the Brent oil price up 39.7% over the period. Not owning broadcaster Sky or pharmaceutical group Shire, both of which received bid approaches, also detracted. Domestic-exposed sectors, most notably housebuilders and retailers, have de-rated into heightened Brexit uncertainty negatively impacting holdings in Countryside Properties and apparel chain Ted Baker. The fund managers remain confident in both business' long-term earnings prospects. The negative sentiment attached to the retail sector provided an opportunity to start a new position in UK lifestyle brand, Joules. The fund managers believe the brand remains in its infancy, particularly in overseas markets, and therefore expect continued strong growth despite more muted consumer spending trends.

There has been marked asymmetry in share price reactions to companies' earnings, with earnings misses being severely punished by the market. Veterinary practice operator CVS Group is a good example. The company's earnings for the year ending the 30 June were cut by a low single digit percentage versus a share price off 38% over the period. The fund managers believe the shares are meaningfully undervalued, trading at a substantial discount to history despite favourable organic growth trends and industry consolidation opportunities remaining intact.

The fund managers are enthused about the prospects of several new additions to the portfolio including Learning Technologies, Clinigen and Huntsworth. Learning Technologies is a B2B e-learning group with an ambition of consolidating and professionalising a fragmented e-learning market. The company's track record of integrating and improving the performance of acquisitions is impressive and there are early signs that we can expect similar delivery on their recent US acquisition of talent management business, PeopleFluent. Clinigen is the global leader in distributing unlicensed and licensed medicines, businesses with strong structural growth potential which we believe is being undervalued by the market. Huntsworth is benefiting from the increasing trend by global pharmaceutical companies to outsource their medical and marketing communications. The fund managers view the valuation of the shares as attractive relative to the anticipated growth of the business.

AVIVA INVESTORS UK GROWTH FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Outlook

We expect equity markets to remain volatile as quantitative easing continues to be unwound, interest rates rise gradually, the US mid-term election results are announced, tariffs come into effect and the UK finalises its exit terms from the EU. The fund managers remain focused on investing in companies capable of delivering strong returns independent of the macro economic backdrop.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 47 and 48 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
HSBC Holdings	ZPG
Standard Chartered	Dechra Pharmaceuticals
Cineworld Group	Keywords Studios
Clinigen Group	CityFibre Infrastructure Holdings
CVS Group	Renishaw
BBA Aviation	First Derivatives
Consort Medical	Fevertree Drinks
Just Eat	Merlin Entertainments
Gocompare.Com Group	Royal Dutch Shell 'B'

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'.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	192.62	160.15	145.75
Return before operating charges†	(8.05)	34.20	15.89
Operating charges	(1.98)	(1.73)	(1.49)
Return after operating charges†	(10.03)	32.47	14.40
Distributions	(3.11)	(2.73)	(1.92)
Retained distributions on accumulation shares	3.11	2.73	1.92
Closing net asset value per share	182.59	192.62	160.15
† after direct transaction costs of	(0.47)	(0.16)	(0.31)
Performance			
Return after charges (%)	(5.21)%	20.27%	9.88%
Other information			
Closing net asset value (£000)	147,117	153,775	139,242
Closing number of shares	80,571,409	79,833,867	86,947,413
Operating charges (%)‡	1.00%	1.00%	1.00%
Direct transaction costs (%)#	0.24%	0.09%	0.21%
Prices≈			
Highest share price	207.84	192.95	163.14
Lowest share price	182.89	153.22	135.11

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	291.94	242.30	220.14
Return before operating charges†	(12.22)	51.81	24.02
Operating charges	(2.50)	(2.17)	(1.86)
Return after operating charges†	(14.72)	49.64	22.16
Distributions	(5.24)	(4.59)	(3.30)
Retained distributions on accumulation shares	5.24	4.59	3.30
Closing net asset value per share	277.22	291.94	242.30
† after direct transaction costs of	(0.72)	(0.24)	(0.47)
Performance			
Return after charges (%)	(5.04)%	20.49%	10.07%
Other information			
Closing net asset value (£000)	12,639	13,677	12,441
Closing number of shares	4,559,144	4,685,112	5,134,369
Operating charges (%)‡	0.83%	0.83%	0.83%
Direct transaction costs (%)#	0.24%	0.09%	0.21%
Prices≈			
Highest share price	315.44	292.44	246.82
Lowest share price	277.67	231.85	204.31

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	277.86	234.43	215.96
Return before operating charges†	(11.61)	49.96	23.52
Operating charges	(0.93)	(0.83)	(0.72)
Return after operating charges†	(12.54)	49.13	22.80
Distributions	(6.40)	(5.70)	(4.33)
Closing net asset value per share	258.92	277.86	234.43
† after direct transaction costs of	(0.68)	(0.23)	(0.46)
Performance			
Return after charges (%)	(4.51)%	20.96%	10.56%
Other information			
Closing net asset value (£000)	11,739	13,272	12,278
Closing number of shares	4,534,009	4,776,366	5,237,516
Operating charges (%)‡	0.33%	0.33%	0.33%
Direct transaction costs (%)#	0.24%	0.09%	0.21%
Prices≈			
Highest share price	297.82	281.24	241.08
Lowest share price	262.45	224.38	199.30

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Accumulation shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	175.09	146.49	134.16
Return before operating charges†	(173.29)	31.18	14.55
Operating charges	(1.80)	(2.58)	(2.22)
Return after operating charges†	(175.09)	28.60	12.33
Distributions	(0.94)	(1.50)	(0.90)
Retained distributions on accumulation shares	0.94	1.50	0.90
Closing net asset value per share	–	175.09	146.49
† after direct transaction costs of	–	(0.14)	(0.29)
Performance			
Return after charges (%)	–	19.52%	9.19%
Other information			
Closing net asset value (£000)	–	10,588	9,139
Closing number of shares	–	6,047,069	6,238,916
Operating charges (%)‡	1.63%	1.63%	1.63%
Direct transaction costs (%)#	–	0.09%	0.21%
Prices≈			
Highest share price	187.60	175.40	149.25
Lowest share price	166.82	140.11	123.81

§ The share class was closed on 1 June 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.00%	1.00%
Class 2	0.83%	0.83%
Class 3	0.33%	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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 1.00%. Please see the Prospectus for full details.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 96.38% (95.07%)				
Communication Services 7.30% (5.87%)				
Diversified Telecommunication Services 0.00% (1.10%)				
Entertainment 2.76% (0.00%)				
Cineworld Group	GBP	1,631,099	4,727	2.76
			4,727	2.76
Media 3.41% (2.74%)				
Huntsworth	GBP	1,659,763	1,925	1.12
ITV	GBP	292,879	467	0.27
Next Fifteen Communications Group#	GBP	734,623	3,460	2.02
			5,852	3.41
Wireless Telecommunication Services 1.13% (2.03%)				
Vodafone Group	GBP	1,273,572	1,943	1.13
			1,943	1.13
Communication Services total			**12,522**	**7.30**
Consumer Discretionary 11.14% (11.13%)				
Auto Components 0.00% (0.02%)				
Diversified Consumer Services 0.00% (0.95%)				
Hotels, Restaurants & Leisure 3.35% (3.96%)				
Compass Group	GBP	280,981	4,368	2.55
EI Group	GBP	846,523	1,370	0.80
			5,738	3.35
Household Durables 1.43% (1.92%)				
Countryside Properties	GBP	891,142	2,453	1.43
			2,453	1.43
Internet & Direct Marketing Retail 1.93% (0.16%)				
Gocompare.Com Group	GBP	1,793,385	1,686	0.98
Just Eat	GBP	267,924	1,628	0.95
			3,314	1.93
Multiline Retail 1.18% (0.95%)				
B&M European Value Retail	GBP	516,708	2,020	1.18
			2,020	1.18
Specialty Retail 1.75% (1.89%)				
BCA Marketplace	GBP	1,588,927	3,000	1.75
			3,000	1.75
Textiles, Apparel & Luxury Goods 1.50% (1.28%)				
Joules Group#	GBP	400,550	1,045	0.61
Ted Baker	GBP	77,375	1,530	0.89
			2,575	1.50
Consumer Discretionary total			**19,100**	**11.14**
Consumer Staples 10.70% (12.47%)				
Beverages 2.92% (2.89%)				
Fevertree Drinks#	GBP	176,231	5,010	2.92
			5,010	2.92
Household Products 1.60% (1.60%)				
Reckitt Benckiser Group	GBP	42,794	2,744	1.60
			2,744	1.60
Personal Products 3.07% (3.86%)				
Unilever	GBP	133,578	5,265	3.07
			5,265	3.07

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Tobacco 3.11% (4.12%)				
British American Tobacco	GBP	162,615	5,322	3.11
			5,322	3.11
Consumer Staples total			**18,341**	**10.70**
Energy 9.02% (7.48%)				
Oil, Gas & Consumable Fuels 9.02% (7.48%)				
Cairn Energy	GBP	867,781	1,876	1.09
Faroe Petroleum#	GBP	2,795,904	4,334	2.53
Royal Dutch Shell 'B'	GBP	365,688	9,259	5.40
			15,469	9.02
Energy total			**15,469**	**9.02**
Financials 18.52% (12.87%)				
Banks 7.32% (1.32%)				
Barclays	GBP	1,317,544	2,168	1.26
HSBC Holdings	GBP	1,228,987	7,700	4.49
Standard Chartered	GBP	476,239	2,683	1.57
			12,551	7.32
Capital Markets 5.80% (5.34%)				
London Stock Exchange Group	GBP	64,103	2,608	1.52
River & Mercantile Group	GBP	390,184	1,139	0.66
Sanne Group	GBP	757,364	4,423	2.58
St James's Place	GBP	171,276	1,775	1.04
			9,945	5.80
Diversified Financial Services 0.76% (0.97%)				
Sherborne Investors Guernsey C	GBP	1,788,331	1,314	0.76
			1,314	0.76
Insurance 4.64% (5.24%)				
Aviva†	GBP	441,807	1,919	1.12
Prudential	GBP	384,456	6,038	3.52
			7,957	4.64
Financials total			**31,767**	**18.52**
Health Care 9.08% (8.86%)				
Biotechnology 1.36% (2.30%)				
Abcam#	GBP	188,195	2,272	1.32
Circassia Pharmaceuticals	GBP	87,676	65	0.04
			2,337	1.36
Health Care Equipment & Supplies 2.27% (1.01%)				
Consort Medical	GBP	187,416	2,065	1.20
Smith & Nephew	GBP	144,497	1,835	1.07
			3,900	2.27
Health Care Providers & Services 1.05% (0.00%)				
CVS Group#	GBP	216,702	1,796	1.05
			1,796	1.05
Life Sciences Tools & Services 1.63% (0.00%)				
Clinigen Group#	GBP	336,766	2,785	1.63
			2,785	1.63
Pharmaceuticals 2.77% (5.55%)				
BTG	GBP	265,335	1,483	0.87
Dechra Pharmaceuticals	GBP	157,344	3,267	1.90
			4,750	2.77
Health Care total			**15,568**	**9.08**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Industrials 11.44% (9.79%)				
Aerospace & Defense 0.00% (0.71%)				
Airlines 0.75% (0.00%)				
easyJet	GBP	108,915	1,282	0.75
			1,282	0.75
Building Products 0.82% (0.99%)				
Volution Group	GBP	746,153	1,410	0.82
			1,410	0.82
Commercial Services & Supplies 1.68% (2.00%)				
Rentokil Initial	GBP	973,147	2,880	1.68
			2,880	1.68
Electrical Equipment 1.69% (2.05%)				
Melrose Industries	GBP	1,746,342	2,895	1.69
			2,895	1.69
Professional Services 1.48% (0.37%)				
Alpha Financial Markets Consulting#	GBP	421,139	884	0.52
GlobalData#	GBP	294,765	1,651	0.96
			2,535	1.48
Trading Companies & Distributors 3.80% (3.67%)				
Ashtead Group	GBP	236,511	4,547	2.65
Howden Joinery Group	GBP	451,664	1,966	1.15
			6,513	3.80
Transportation Infrastructure 1.22% (0.00%)				
BBA Aviation	GBP	818,093	2,101	1.22
			2,101	1.22
Industrials total			**19,616**	**11.44**
Information Technology 6.39% (14.74%)				
Electronic Equipment, Instruments & Components 1.86% (3.68%)				
Halma	GBP	123,244	1,544	0.90
Renishaw	GBP	41,810	1,650	0.96
			3,194	1.86
Internet Services & Infrastructure 0.00% (4.46%)				
IT Services 2.22% (4.40%)				
Keywords Studios#	GBP	269,668	3,802	2.22
			3,802	2.22
Software 2.31% (2.20%)				
Izodia^	GBP	4,032,078	–	–
Learning Technologies Group#	GBP	1,737,947	2,016	1.17
Sage Group	GBP	350,042	1,948	1.14
			3,964	2.31
Information Technology total			**10,960**	**6.39**
Investment Funds 0.38% (0.71%)				
Investment Companies 0.38% (0.71%)				
Electra Private Equity	GBP	81,002	646	0.38
			646	0.38
Investment Funds total			**646**	**0.38**
Materials 8.87% (6.80%)				
Chemicals 1.34% (1.39%)				
Victrex	GBP	89,945	2,299	1.34
			2,299	1.34

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Construction Materials 0.82% (0.00%)				
Breedon Group#	GBP	2,078,852	1,414	0.82
			1,414	0.82
Containers & Packaging 0.30% (1.08%)				
RPC Group	GBP	69,343	517	0.30
			517	0.30
Metals & Mining 6.41% (4.33%)				
BHP Billiton	GBP	177,119	2,773	1.62
Rio Tinto	GBP	222,724	8,213	4.79
			10,986	6.41
Materials total			**15,216**	**8.87**
Real Estate 3.54% (4.35%)				
Equity Real Estate Investment Trusts (REITs) 1.56% (1.43%)				
PRS REIT	GBP	1,063,878	1,074	0.62
Tritax Big Box REIT	GBP	1,109,572	1,608	0.94
			2,682	1.56
Real Estate Management & Development 1.98% (2.92%)				
Savills	GBP	236,913	1,705	0.99
St Modwen Properties	GBP	469,588	1,691	0.99
			3,396	1.98
Real Estate total			**6,078**	**3.54**
Equities total			**165,283**	**96.38**
Liquidity Funds 0.76% (2.72%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	1,300,000	1,300	0.76
Liquidity Funds total			**1,300**	**0.76**
Investment assets			166,583	97.14
Net other assets			4,912	2.86
Net assets			**171,495**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2018.
Security traded on another regulated market.
† A related party to the Fund.
^ Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(12,221)		30,702
Revenue	3	4,948		4,621	
Expenses	4	(1,853)		(1,745)	
Net revenue before taxation		3,095		2,876	
Taxation	5	(5)		(4)	
Net revenue after taxation			3,090		2,872
Total return before distributions			**(9,131)**		**33,574**
Distributions	6		(3,099)		(2,868)
Change in net assets attributable to shareholders from investment activities			**(12,230)**		**30,706**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**191,312**		**173,100**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	8,438		2,427	
Amounts payable on cancellation of shares	(18,791)		(17,456)	
		(10,353)		(15,029)
Dilution adjustment		11		–
Change in net assets attributable to shareholders from investment activities (see above)		(12,230)		30,706
Retained distribution on accumulation shares		2,755		2,535
Closing net assets attributable to shareholders		**171,495**		**191,312**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	166,583	187,091
Current assets:			
Debtors	8	376	405
Cash and bank balances	9	5,154	4,340
Total assets		**172,113**	**191,836**
Liabilities:			
Creditors:			
Distribution payable		(141)	(138)
Other creditors	10	(477)	(386)
Total liabilities		**(618)**	**(524)**
Net assets attributable to shareholders		**171,495**	**191,312**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency losses	(2)	–
Expenses relating to the purchase and sale of investments	(1)	(5)
Non-derivative securities (losses)/gains	(12,218)	30,707
Net capital (losses)/gains	**(12,221)**	**30,702**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	1	1
Interest on debt securities	17	11
Overseas dividends	133	163
Property income distributions	78	35
UK dividends	4,719	4,396
Underwriting commission	–	15
Total revenue	**4,948**	**4,621**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	1,832	1,718
Registration fees	15	22
	1,847	1,740
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	16	25
Safe custody fee	2	3
	18	28
Other expenses:		
Audit fee**	7	11
Statement fees	4	7
	11	18
Total expenses	**1,876**	**1,786**
Less those expenses rebated by the ACD	(23)	(41)
Net expenses	**1,853**	**1,745**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,273 (2017: £8,848) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Overseas tax suffered	5	4
Total current tax (see note 5b)	**5**	**4**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**3,095**	**2,876**
Corporation tax at 20%	619	575
Effects of:		
UK dividends not subject to corporation tax	(944)	(879)
Overseas dividends not subject to corporation tax	(26)	(32)
Expenses not deductible for tax purposes	–	(1)
Irrecoverable overseas withholding tax	5	4
Movement in excess management expenses	351	337
	(614)	(571)
Current tax charge (see note 5a)	**5**	**4**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £34,261,644 (2017: £32,504,156) creating a potential deferred tax asset of £6,852,329 (2017: £6,500,831). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	1,607	1,430
Final distribution	1,441	1,385
	3,048	2,815
Add: Revenue deducted on cancellation of shares	76	62
Deduct: Revenue received on issue of shares	(25)	(9)
Total distributions	**3,099**	**2,868**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	3,099	2,868
Equalisation on conversions	(9)	–
Other fees borne by capital account	–	4
Net revenue after taxation	**3,090**	**2,872**

Details of the distributions per share are set out in the distribution tables on page 61.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	165,283	181,891
Level 2: Observable market data	1,300	5,200
Total value	**166,583**	**187,091**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	340	214
Accrued expense fee rebate	–	5
Amounts receivable on issue of shares	36	20
Sales awaiting settlement	–	166
Total debtors	**376**	**405**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	5,154	4,340
Total cash and bank balances	**5,154**	**4,340**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	216	242
Amounts payable for cancellation of shares	261	144
Total other creditors	**477**	**386**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/ Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges /Fund Management Fee was £216,106 (2017: £212,365). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £163,436 (2017: £319,692). The amount outstanding at the year end was £151,115 (2017: £157,798). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £35,200,000 (2017: £35,200,000) and £40,464,153 (2017: £36,799,800) respectively. The income received during the year amounted to £167,465 (2017: £183,074).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Accumulation shares)	11,832	7,656	4,176
ACD and related parties (Class 2 Accumulation shares)	419,711	41,547	378,164
ACD and related parties (Class A Accumulation shares)	–	(1,466,825)	1,466,825
ACD and related parties (Class 3 Income shares)	4,534,009	(242,357)	4,776,366

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee are as follows:

Class 1: 1.00%
Class 2: 0.83%
Class 3: 0.33%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 47 and 48. The distributions per share are given in the distribution tables on page 61. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Accumulation shares	79,833,867	522,253	(5,231,310)	5,446,599	80,571,409
Class 2 Accumulation shares	4,685,112	1,824,936	(2,004,653)	53,749	4,559,144
Class A Accumulation shares	6,047,069	304,337	(245,564)	(6,105,842)	–
Class 3 Income shares	4,776,366	450,616	(692,973)	–	4,534,009

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 0.05% (2017: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 3.76% (2017: 4.99%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 97.14% (2017: 97.79%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.71% (2017: 9.78%).

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(50,073)	(25)	(421)	(50,519)	0.05%	0.84%
Funds	(35,200)	–	–	(35,200)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(1,840)	–	–	(1,840)	0.00%	0.00%
	(87,113)	(25)	(421)	(87,559)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	56,033	(24)	–	56,009	0.04%	0.00%
Funds	39,100	–	–	39,100	0.00%	0.00%
	95,133	(24)	–	95,109		
Total		(49)	(421)			
Percentage of Fund average net assets		0.02%	0.22%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(28,842)	(18)	(109)	(28,969)	0.06%	0.38%
Funds	(35,200)	–	–	(35,200)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(988)	–	–	(988)	0.00%	0.00%
	(65,030)	(18)	(109)	(65,157)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	41,805	(33)	–	41,772	0.08%	0.00%
Funds	36,700	–	–	36,700	0.00%	0.00%
	78,505	(33)	–	78,472		
Total		(51)	(109)			
Percentage of Fund average net assets		0.03%	0.06%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.34% (2017:0.35%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Income shares	Group 1	3.0975	–	3.0975	2.8953
	Group 2	1.8227	1.2748	3.0975	2.8953

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	1.4723	–	1.4723	1.3705
	Group 2	0.8717	0.6006	1.4723	1.3705
Class 2 Accumulation shares	Group 1	2.5016	–	2.5016	2.3204
	Group 2	1.6536	0.8480	2.5016	2.3204
Class A Accumulation shares	Group 1	0.0000	–	0.0000	0.7278
	Group 2	0.0000	0.0000	0.0000	0.7278

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

Interim distribution paid in pence per share for the six months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Income shares	Group 1	3.3008	–	3.3008	2.8045
	Group 2	2.5384	0.7624	3.3008	2.8045

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	1.6382	–	1.6382	1.3606
	Group 2	1.0716	0.5666	1.6382	1.3606
Class 2 Accumulation shares	Group 1	2.7381	–	2.7381	2.2738
	Group 2	1.3761	1.3620	2.7381	2.2738
Class A Accumulation shares	Group 1	0.9438	–	0.9438	0.7728
	Group 2	0.6055	0.3383	0.9438	0.7728

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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 Financial Conduct Authority 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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -3.53 per cent (share class 1), net of fees, compared with an average return of -4.44 per cent for its peer group the Investment Association UK All Companies sector. The FTSE® All-Share Index, the Fund's benchmark, returned -3.05 per cent.

The Fund has tracked below its benchmark the FTSE® All-Share Index during the year ended 15 October 2018. There are a number of factors including charges and fees, portfolio re-balancing, index re-balancing and timing that can result in the Fund tracking above or below its benchmark during a period. The Fund manager does not consider the above tracking divergence to be significant.

Review
The UK equity market has struggled to make progress over the last year. The market has faced the macroeconomic headwinds of global monetary tightening, especially in the US, and escalating global trade tensions most notably between the US and China, together with Brexit implications which are quite UK specific. The UK voted in June 2016 to leave the EU and progress on withdrawal negotiations since then has been slow with many stumbling blocks. The Brexit cut-off date is the 29 March 2019 and with five months to go it is still hard to forecast what will be in place by this date. Such uncertainty is preoccupying investors, as well as companies and consumers.

Consequently, sterling has fluctuated significantly over the last year as sentiment has swung around. However, despite these uncertainties, the UK economy has been resilient over the period with unemployment recording its lowest level since 1975 in August. While growth has been muted that has also been the case in mainland Europe. UK consumer spending has been affected this calendar year by extreme winter weather followed by the heatwave over the summer, both of which affected spending patterns, although a more concerning feature from a longer-term viewpoint is the decline in the household savings ratio.

There has been a wide dispersion in sector returns over the last year. Oil & Gas was the strongest area of the market, boosted by a rebound in the oil price, which rallied to just below $81/barrel (Brent Crude) at the end of the reporting year, its highest level since late 2014. The healthcare sector was a focal point for merger and acquisition activity, with Irish pharmaceutical firm Shire the recipient of a takeover bid from Japanese pharmaceutical firm Takeda, while shares in AstraZeneca performed well on the back of better than expected interim results. In contrast, sectors closely correlated with bond markets, most notably utilities, telecoms and consumer staples, underperformed as investors discounted higher interest rates in the US and the UK. Financials also underperformed the FTSE® All-Share Index. Shares in HSBC, the largest banking constituent in the index, lost ground as higher operating expenses continued to erode profitability. The bank derives more than three-quarters of its earnings from Asia and has stepped up its investment programme focused on adding new technologies to its retail franchise in Hong Kong and China.

Outlook
The macroeconomic and political backdrop for the UK equity market is likely to remain unstable and unpredictable over the coming months. On a monthly basis there have been large sentiment swings in commodities markets based on trade tensions and Chinese growth forecasts. Bond yields have fluctuated in response to forward guidance by central banks to manage expectations on monetary tightening, economic growth indicators and inflation data, while currency markets have reacted to perceived political turmoil based on Brexit negotiations and the Trump administration's trade policies. This volatility will likely continue as QE (quantitative easing) is unwound, interest rates gradually rise in the US and the UK, the US mid-term election results are announced, tariffs come into effect on exports to the US, while the UK finalises its exit terms from the EU.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 64 and 65 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
RELX	Old Mutual
HSBC Holdings	HSBC Holdings
Royal Dutch Shell 'A'	Worldpay
BP	Royal Dutch Shell 'A'
Royal Dutch Shell 'B'	Unilever
British American Tobacco	Royal Dutch Shell 'B'
GlaxoSmithKline	British American Tobacco
AstraZeneca	BP
Diageo	Diageo

AVIVA INVESTORS UK INDEX TRACKING FUND (CONTINUED)

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'.

– Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	80.96	74.70	68.11
Return before operating charges†	(2.39)	9.31	9.15
Operating charges	(0.47)	(0.49)	(0.43)
Return after operating charges†	(2.86)	8.82	8.72
Distributions	(2.67)	(2.56)	(2.13)
Closing net asset value per share	75.43	80.96	74.70
† after direct transaction costs of	(0.04)	(0.03)	(0.03)
Performance			
Return after charges (%)	(3.53)%	11.81%	12.80%
Other information			
Closing net asset value (£000)	84,349	92,617	89,734
Closing number of shares	111,830,211	114,403,338	120,122,978
Operating charges (%)‡	0.57%	0.63%	0.63%
Direct transaction costs (%)#	0.05%	0.04%	0.05%
Prices≈			
Highest share price	84.95	82.54	76.60
Lowest share price	75.55	71.60	60.25

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	132.56	122.31	111.50
Return before operating charges†	(3.93)	15.25	15.12
Operating charges	(0.31)	(0.29)	(0.26)
Return after operating charges†	(4.24)	14.96	14.86
Distributions	(4.84)	(4.71)	(4.05)
Closing net asset value per share	123.48	132.56	122.31
† after direct transaction costs of	(0.07)	(0.05)	(0.06)
Performance			
Return after charges (%)	(3.20)%	12.23%	13.33%
Other information			
Closing net asset value (£000)	12,733	14,178	13,544
Closing number of shares	10,311,248	10,695,753	11,074,065
Operating charges (%)‡	0.23%	0.23%	0.23%
Direct transaction costs (%)#	0.05%	0.04%	0.05%
Prices≈			
Highest share price	139.16	135.42	125.64
Lowest share price	123.93	117.25	98.85

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	245.96	218.87	192.82
Return before operating charges†	(7.32)	27.61	26.49
Operating charges	(0.57)	(0.52)	(0.44)
Return after operating charges†	(7.89)	27.09	26.05
Distributions	(9.07)	(8.50)	(7.06)
Retained distributions on accumulation shares	9.07	8.50	7.06
Closing net asset value per share	238.07	245.96	218.87
† after direct transaction costs of	(0.12)	(0.09)	(0.10)
Performance			
Return after charges (%)	(3.21)%	12.38%	13.51%
Other information			
Closing net asset value (£000)	611,468	606,961	634,165
Closing number of shares	256,841,368	246,776,772	289,743,273
Operating charges (%)‡	0.23%	0.23%	0.23%
Direct transaction costs (%)#	0.05%	0.04%	0.05%
Prices≈			
Highest share price	262.35	246.55	221.00
Lowest share price	229.96	209.86	170.93

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	107.86	95.86	85.27
Return before operating charges†	(3.22)	12.11	10.68
Operating charges	(0.11)	(0.11)	(0.09)
Return after operating charges†	(3.33)	12.00	10.59
Distributions	(4.12)	(3.85)	(2.29)
Retained distributions on accumulation shares	4.12	3.85	2.29
Closing net asset value per share	104.53	107.86	95.86
† after direct transaction costs of	(0.05)	(0.04)	(0.04)
Performance			
Return after charges (%)	(3.09)%	12.52%	12.42%
Other information			
Closing net asset value (£000)	73,115	80,659	71,523
Closing number of shares	69,943,629	74,782,966	74,608,822
Operating charges (%)‡	0.10%	0.10%	0.10%
Direct transaction costs (%)#	0.05%	0.04%	0.05%
Prices≈			
Highest share price	115.14	108.12	96.79
Lowest share price	100.90	91.92	75.28

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.48%**	0.63%
Class 2	0.23%	0.23%
Class 3	0.23%	0.23%
Class A	0.10%	0.10%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 0.70%. The OCF for share class A is capped at 0.10%. Please see the Prospectus for full details.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 97.06% (97.78%)				
Communication Services 5.66% (6.13%)				
Diversified Telecommunication Services 1.01% (1.11%)				
BT Group	GBP	2,782,911	6,744	0.86
Inmarsat	GBP	153,018	755	0.10
KCOM Group	GBP	169,609	157	0.02
TalkTalk Telecom Group	GBP	223,424	265	0.03
			7,921	1.01
Entertainment 0.19% (0.00%)				
Cineworld Group	GBP	335,976	991	0.13
Entertainment One	GBP	118,133	486	0.06
			1,477	0.19
Interactive Media & Services 0.33% (0.59%)				
Auto Trader Group	GBP	309,230	1,271	0.16
Rightmove	GBP	300,161	1,277	0.17
			2,548	0.33
Media 2.38% (2.12%)				
4imprint Group	GBP	9,330	175	0.02
Ascential	GBP	130,980	457	0.06
Bloomsbury Publishing	GBP	24,564	50	0.01
Euromoney Institutional Investor	GBP	17,738	232	0.03
Huntsworth	GBP	109,200	125	0.02
Informa	GBP	415,421	2,946	0.37
ITE Group	GBP	238,358	150	0.02
ITV	GBP	1,242,908	1,987	0.25
Pearson	GBP	259,797	2,058	0.26
Reach	GBP	91,068	61	0.01
Sky	GBP	346,509	5,980	0.76
STV Group	GBP	11,490	42	0.01
Tarsus Group	GBP	30,673	86	0.01
WPP	GBP	408,891	4,283	0.55
			18,632	2.38
Wireless Telecommunication Services 1.75% (2.31%)				
Vodafone Group	GBP	8,906,139	13,680	1.75
			13,680	1.75
Communication Services total			**44,258**	**5.66**
Consumer Discretionary 7.37% (7.53%)				
Auto Components 0.01% (0.22%)				
TI Fluid Systems	GBP	54,973	105	0.01
			105	0.01
Distributors 0.14% (0.19%)				
Connect Group	GBP	78,577	25	–
Headlam Group	GBP	27,640	126	0.02
Inchcape	GBP	137,773	843	0.10
John Menzies	GBP	22,674	119	0.02
			1,113	0.14
Diversified Consumer Services 0.05% (0.08%)				
AA	GBP	202,780	208	0.03
Dignity	GBP	16,598	170	0.02
			378	0.05

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Hotels, Restaurants & Leisure 3.60% (3.52%)				
888 Holdings	GBP	87,420	169	0.02
Carnival	GBP	56,121	2,433	0.31
Compass Group	GBP	527,767	8,249	1.07
Domino's Pizza Group	GBP	157,914	419	0.05
DP Eurasia	GBP	25,260	21	–
EI Group	GBP	152,381	246	0.03
Fuller Smith & Turner 'A'	GBP	10,284	96	0.01
Greene King	GBP	102,247	505	0.06
Greggs	GBP	33,151	374	0.05
GVC Holdings	GBP	191,740	1,796	0.22
Gym Group	GBP	40,040	113	0.01
Hollywood Bowl Group	GBP	46,930	93	0.01
InterContinental Hotels Group	GBP	63,564	2,656	0.34
J D Wetherspoon	GBP	23,274	284	0.04
JPJ Group	GBP	22,187	153	0.02
Marston's	GBP	209,069	202	0.03
Merlin Entertainments	GBP	234,999	869	0.11
Millennium & Copthorne Hotels	GBP	39,543	186	0.02
Mitchells & Butlers	GBP	72,995	190	0.02
Paddy Power Betfair	GBP	27,025	1,699	0.22
Playtech	GBP	97,944	434	0.06
Rank Group	GBP	56,976	95	0.01
Restaurant Group	GBP	64,750	186	0.02
Sportech	GBP	50,870	30	–
SSP Group	GBP	152,790	1,009	0.13
TEN Entertainment Group	GBP	13,450	30	–
Thomas Cook Group	GBP	457,334	215	0.03
TUI	GBP	145,138	1,971	0.25
Whitbread	GBP	61,181	2,807	0.37
William Hill	GBP	286,332	669	0.09
			28,199	3.60
Household Durables 1.34% (1.55%)				
Barratt Developments	GBP	335,744	1,697	0.22
Bellway	GBP	41,062	1,161	0.15
Berkeley Group Holdings	GBP	40,980	1,374	0.18
Bovis Homes Group	GBP	43,290	432	0.06
Countryside Properties	GBP	147,667	406	0.05
Crest Nicholson Holdings	GBP	82,957	264	0.03
DFS Furniture	GBP	68,160	142	0.02
Henry Boot	GBP	32,681	87	0.01
McCarthy & Stone	GBP	177,409	226	0.03
MJ Gleeson	GBP	14,175	92	0.01
Persimmon	GBP	103,336	2,284	0.29
Redrow	GBP	79,658	429	0.05
Taylor Wimpey	GBP	1,084,938	1,720	0.22
Vitec Group	GBP	14,950	194	0.02
			10,508	1.34
Internet & Direct Marketing Retail 0.43% (0.12%)				
AO World	GBP	91,660	129	0.02
Findel	GBP	19,618	49	0.01
Gocompare.Com Group	GBP	103,684	95	0.01
Hostelworld Group	GBP	32,570	65	0.01
Just Eat	GBP	191,813	1,191	0.14
Moneysupermarket.com Group	GBP	172,903	490	0.06
N Brown Group	GBP	51,554	61	0.01
Ocado Group	GBP	145,655	1,150	0.15
On the Beach Group	GBP	35,895	154	0.02
			3,384	0.43

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Leisure Products 0.05% (0.04%)				
Games Workshop Group	GBP	9,987	326	0.04
Photo-Me International	GBP	82,587	92	0.01
			418	0.05
Multiline Retail 0.66% (0.66%)				
B&M European Value Retail	GBP	284,007	1,114	0.15
Debenhams	GBP	265,048	23	–
Marks & Spencer Group	GBP	542,154	1,587	0.20
Next	GBP	44,607	2,378	0.31
			5,102	0.66
Specialty Retail 0.72% (0.73%)				
BCA Marketplace	GBP	253,686	481	0.06
Card Factory	GBP	105,821	196	0.03
Carpetright	GBP	75,053	13	–
Dixons Carphone	GBP	334,058	530	0.07
Dunelm Group	GBP	32,775	193	0.02
Halfords Group	GBP	65,941	208	0.03
JD Sports Fashion	GBP	120,281	503	0.06
Kingfisher	GBP	717,262	1,811	0.24
Lookers	GBP	106,631	107	0.01
Motorpoint group	GBP	18,650	37	–
Pendragon	GBP	451,806	121	0.02
Pets at Home Group	GBP	157,857	194	0.02
Sports Direct International	GBP	64,218	203	0.03
Superdry	GBP	22,178	177	0.02
Topps Tiles	GBP	50,301	31	–
Vivo Energy	GBP	123,429	145	0.02
WH Smith	GBP	35,154	662	0.09
			5,612	0.72
Textiles, Apparel & Luxury Goods 0.37% (0.42%)				
Burberry Group	GBP	138,366	2,400	0.31
Coats Group	GBP	470,338	330	0.04
Ted Baker	GBP	9,513	190	0.02
			2,920	0.37
Consumer Discretionary total			**57,739**	**7.37**
Consumer Staples 12.96% (14.44%)				
Beverages 2.95% (2.86%)				
AG Barr	GBP	27,724	203	0.03
Britvic	GBP	87,948	664	0.08
Coca-Cola HBC	GBP	65,713	1,536	0.20
Diageo	GBP	805,745	20,506	2.62
Stock Spirits Group	GBP	63,159	124	0.02
			23,033	2.95
Food & Staples Retailing 1.33% (1.11%)				
J Sainsbury	GBP	539,263	1,646	0.21
McColl's Retail Group	GBP	26,090	32	–
Tesco	GBP	3,224,019	6,961	0.89
Wm Morrison Supermarkets	GBP	724,948	1,795	0.23
			10,434	1.33

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Food Products 0.71% (0.81%)				
Anglo-Eastern Plantations	GBP	6,570	37	–
Associated British Foods	GBP	115,977	2,627	0.35
Bakkavor Group	GBP	48,087	75	0.01
Carr's Group	GBP	25,750	39	–
Cranswick	GBP	16,912	501	0.06
Dairy Crest Group	GBP	50,169	231	0.03
Devro	GBP	55,169	108	0.01
Greencore Group	GBP	235,113	444	0.06
Hilton Food Group	GBP	21,234	193	0.02
Premier Foods	GBP	233,860	94	0.01
PureCircle	GBP	42,090	136	0.02
Tate & Lyle	GBP	155,263	990	0.14
			5,475	0.71
Household Products 1.78% (1.84%)				
McBride	GBP	60,710	78	0.01
PZ Cussons	GBP	63,146	141	0.02
Reckitt Benckiser Group	GBP	208,820	13,657	1.75
			13,876	1.78
Personal Products 1.90% (2.14%)				
Unilever	GBP	371,417	14,870	1.90
			14,870	1.90
Tobacco 4.29% (5.68%)				
British American Tobacco	GBP	761,462	25,360	3.24
Imperial Brands	GBP	316,806	8,196	1.05
			33,556	4.29
Consumer Staples total			**101,244**	**12.96**
Energy 14.31% (11.97%)				
Energy Equipment & Services 0.33% (0.27%)				
Gulf Marine Services	GBP	107,229	47	0.01
Hunting	GBP	46,407	338	0.04
John Wood Group	GBP	219,905	1,603	0.20
Lamprell	GBP	77,288	49	0.01
Petrofac	GBP	86,232	527	0.07
			2,564	0.33
Oil, Gas & Consumable Fuels 13.98% (11.70%)				
BP	GBP	6,516,509	36,447	4.67
Cairn Energy	GBP	193,414	417	0.05
Energean Oil & Gas	GBP	24,210	138	0.02
EnQuest	GBP	355,769	112	0.01
EnQuest Rights 19/10/2018	GBP	152,472	16	–
Nostrum Oil & Gas	GBP	29,230	70	0.01
Ophir Energy	GBP	226,989	97	0.01
Premier Oil	GBP	254,826	326	0.04
Royal Dutch Shell 'A'	GBP	1,534,836	38,357	4.92
Royal Dutch Shell 'B'	GBP	1,250,531	31,776	4.07
Soco International	GBP	74,146	63	0.01
Stobart Group	GBP	101,103	234	0.03
Tullow Oil	GBP	459,090	1,132	0.14
			109,185	13.98
Energy total			**111,749**	**14.31**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 17.27% (18.91%)				
Banks 9.77% (10.67%)				
Bank of Georgia Group	GBP	12,604	195	0.02
Barclays	GBP	5,689,588	9,293	1.19
CYBG	GBP	409,687	1,132	0.14
HSBC Holdings	GBP	6,704,716	42,127	5.40
Lloyds Banking Group	GBP	23,955,593	13,831	1.78
Metro Bank	GBP	30,054	808	0.10
Royal Bank of Scotland Group	GBP	1,507,260	3,664	0.47
Standard Chartered	GBP	902,165	5,091	0.65
TBC Bank Group	GBP	11,640	183	0.02
Virgin Money Holdings UK^	GBP	94,127	–	–
			76,324	9.77
Capital Markets 2.73% (2.54%)				
3i Group	GBP	317,674	2,692	0.34
Allied Minds	GBP	80,030	51	0.01
Ashmore Group	GBP	127,773	449	0.06
Baillie Gifford US Growth Trust	GBP	69,283	82	0.01
Brewin Dolphin Holdings	GBP	90,234	295	0.04
City of London Investment Group	GBP	7,434	29	–
Close Brothers Group	GBP	50,264	743	0.10
CMC Markets	GBP	37,250	43	0.01
Georgia Capital	GBP	11,741	135	0.02
Hargreaves Lansdown	GBP	87,658	1,555	0.20
IG Group Holdings	GBP	120,717	724	0.09
IntegraFin Holdings	GBP	64,740	206	0.03
Intermediate Capital Group	GBP	92,694	875	0.11
Investec	GBP	216,457	1,036	0.13
IP Group	GBP	336,052	366	0.05
Jupiter Fund Management	GBP	138,290	481	0.06
Liontrust Asset Management	GBP	16,204	101	0.01
London Stock Exchange Group	GBP	104,022	4,257	0.55
Man Group	GBP	517,220	715	0.09
Mercantile Investment Trust	GBP	268,657	519	0.07
NEX Group	GBP	104,979	1,096	0.14
Quilter	GBP	620,850	731	0.09
Rathbone Brothers	GBP	17,795	402	0.05
River & Mercantile Group	GBP	13,510	39	–
Sanne Group	GBP	44,691	265	0.03
Schroders	GBP	37,253	1,040	0.13
St James's Place	GBP	174,049	1,807	0.23
TP ICAP	GBP	188,102	519	0.07
XPS Pensions Group	GBP	57,975	88	0.01
			21,341	2.73
Consumer Finance 0.11% (0.10%)				
Amigo Holdings	GBP	46,730	105	0.01
Arrow Global Group	GBP	48,157	97	0.01
ASA International Group	GBP	9,863	46	0.01
International Personal Finance	GBP	73,763	158	0.02
Provident Financial	GBP	84,568	461	0.06
S&U	GBP	1,302	29	–
			896	0.11

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Diversified Financial Services 0.05% (0.00%)				
Plus500	GBP	32,298	425	0.05
			425	0.05
Insurance 4.49% (5.52%)				
Admiral Group	GBP	67,858	1,328	0.17
Aviva†	GBP	1,307,451	5,670	0.73
Beazley	GBP	173,200	908	0.12
Charles Taylor	GBP	23,732	60	0.01
Chesnara	GBP	50,300	180	0.02
Direct Line Insurance Group	GBP	459,122	1,483	0.19
esure Group	GBP	95,058	265	0.03
Hastings Group Holdings	GBP	102,236	241	0.03
Hiscox	GBP	92,665	1,497	0.19
Jardine Lloyd Thompson Group	GBP	40,637	762	0.10
Just Group	GBP	312,619	263	0.03
Lancashire Holdings	GBP	67,159	373	0.05
Legal & General Group	GBP	1,974,329	4,835	0.62
Phoenix Group Holdings	GBP	192,591	1,193	0.15
Prudential	GBP	864,498	13,559	1.73
RSA Insurance Group	GBP	341,882	1,881	0.24
Sabre Insurance Group	GBP	61,914	159	0.02
Saga	GBP	370,641	493	0.06
			35,150	4.49
Thrifts & Mortgage Finance 0.12% (0.08%)				
Charter Court Financial Services Group	GBP	47,849	142	0.02
Gartmore Irish Growth Fund^	GBP	2,390	–	–
OneSavings Bank	GBP	80,202	300	0.04
Paragon Banking Group	GBP	86,121	379	0.05
Real Estate Credit Investments	GBP	46,228	77	0.01
			898	0.12
Financials total			**135,034**	**17.27**
Health Care 9.11% (8.41%)				
Biotechnology 1.76% (1.45%)				
Circassia Pharmaceuticals	GBP	93,950	72	0.01
Genus	GBP	20,512	459	0.06
Oxford Biomedica	GBP	18,021	135	0.02
Shire	GBP	299,067	13,033	1.67
			13,699	1.76
Health Care Equipment & Supplies 0.59% (0.67%)				
Consort Medical	GBP	16,406	180	0.02
ConvaTec Group	GBP	485,968	725	0.09
Smith & Nephew	GBP	291,917	3,739	0.48
			4,644	0.59
Health Care Providers & Services 0.29% (0.34%)				
Cambian Group	GBP	35,230	67	0.01
Georgia Healthcare Group	GBP	18,480	40	0.01
Medica Group	GBP	30,610	41	0.01
Mediclinic International	GBP	130,470	606	0.08
NMC Health	GBP	28,706	885	0.10
Spire Healthcare Group	GBP	94,006	117	0.01
UDG Healthcare	GBP	83,008	515	0.07
			2,271	0.29
Health Care Technology 0.00% (0.01%)				
Life Sciences Tools & Services 0.01% (0.01%)				
PureTech Health	GBP	50,873	82	0.01
			82	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Pharmaceuticals 6.46% (5.93%)				
AstraZeneca	GBP	422,843	23,755	3.05
BTG	GBP	128,352	723	0.09
Dechra Pharmaceuticals	GBP	33,101	685	0.09
GlaxoSmithKline	GBP	1,625,860	23,792	3.05
Hikma Pharmaceuticals	GBP	46,661	800	0.10
Indivior	GBP	241,103	483	0.06
Vectura Group	GBP	222,074	155	0.02
			50,393	6.46
Health Care total			**71,089**	**9.11**
Industrials 10.05% (9.58%)				
Aerospace & Defense 1.85% (1.88%)				
Avon Rubber	GBP	9,449	116	0.01
BAE Systems	GBP	1,064,801	5,977	0.77
Chemring Group	GBP	92,712	185	0.02
Cobham	GBP	797,971	845	0.11
Meggitt	GBP	258,381	1,278	0.16
QinetiQ Group	GBP	184,970	511	0.07
Rolls-Royce Holdings	GBP	553,699	4,798	0.62
Senior	GBP	139,728	383	0.05
Ultra Electronics Holdings	GBP	23,871	334	0.04
			14,427	1.85
Air Freight & Logistics 0.14% (0.15%)				
Royal Mail	GBP	305,713	1,043	0.13
Wincanton	GBP	36,701	76	0.01
			1,119	0.14
Airlines 0.59% (0.61%)				
easyJet	GBP	82,485	980	0.13
International Consolidated Airlines Group	GBP	535,466	3,120	0.40
Wizz Air Holdings	GBP	18,484	466	0.06
			4,566	0.59
Building Products 0.07% (0.08%)				
Norcros	GBP	25,585	51	0.01
Polypipe Group	GBP	62,593	206	0.03
Tyman	GBP	65,169	206	0.02
Volution Group	GBP	62,980	117	0.01
			580	0.07
Commercial Services & Supplies 0.95% (1.08%)				
Aggreko	GBP	80,255	641	0.08
Babcock International Group	GBP	167,799	1,052	0.13
Biffa	GBP	56,410	135	0.02
Clipper Logistics	GBP	23,650	65	0.01
Communisis	GBP	56,645	28	–
De La Rue	GBP	34,249	162	0.02
G4S	GBP	516,414	1,121	0.14
HomeServe	GBP	90,394	797	0.10
Interserve	GBP	49,464	24	–
IWG	GBP	227,084	495	0.06
Mears Group	GBP	34,356	121	0.02
Mitie Group	GBP	122,166	181	0.02
PayPoint	GBP	21,747	186	0.02
Renewi	GBP	204,462	118	0.02
Rentokil Initial	GBP	615,405	1,838	0.24
RPS Group	GBP	75,453	160	0.02
Serco Group	GBP	362,287	355	0.05
			7,479	0.95

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Construction & Engineering 0.28% (0.29%)				
Balfour Beatty	GBP	228,764	582	0.08
Carillion^	GBP	137,814	–	–
Costain Group	GBP	34,381	139	0.02
Galliford Try	GBP	35,999	319	0.04
John Laing Group	GBP	163,873	492	0.06
Keller Group	GBP	23,938	159	0.02
Kier Group	GBP	31,241	271	0.03
Morgan Sindall Group	GBP	13,109	158	0.02
Severfield	GBP	101,076	69	0.01
			2,189	0.28
Electrical Equipment 0.37% (0.20%)				
Dialight	GBP	9,975	40	0.01
Melrose Industries	GBP	1,605,089	2,659	0.34
XP Power	GBP	4,951	128	0.02
			2,827	0.37
Industrial Conglomerates 0.50% (0.52%)				
DCC	GBP	32,765	2,105	0.27
Smiths Group	GBP	132,085	1,763	0.23
			3,868	0.50
Machinery 0.77% (0.78%)				
Bodycote	GBP	62,527	499	0.06
IMI	GBP	89,442	890	0.11
Morgan Advanced Materials	GBP	94,752	264	0.03
Porvair	GBP	12,784	59	0.01
Rotork	GBP	289,453	855	0.11
Spirax-Sarco Engineering	GBP	24,485	1,512	0.20
Trifast	GBP	39,561	84	0.01
Vesuvius	GBP	70,875	393	0.05
Weir Group	GBP	86,353	1,438	0.19
			5,994	0.77
Marine 0.03% (0.03%)				
Clarkson	GBP	8,232	212	0.03
			212	0.03
Professional Services 2.51% (2.00%)				
Capita	GBP	551,745	675	0.09
Experian	GBP	305,296	5,286	0.68
Hays	GBP	447,320	693	0.09
Intertek Group	GBP	53,829	2,372	0.30
JTC	GBP	28,131	97	0.01
Pagegroup	GBP	103,564	530	0.07
RELX	GBP	637,843	9,568	1.21
Ricardo	GBP	17,791	134	0.02
Robert Walters	GBP	22,635	144	0.02
SThree	GBP	42,181	146	0.02
			19,645	2.51
Road & Rail 0.19% (0.19%)				
Firstgroup	GBP	403,104	350	0.04
Go-Ahead Group	GBP	14,387	230	0.03
National Express Group	GBP	140,986	540	0.07
Northgate	GBP	44,109	173	0.02
Stagecoach Group	GBP	140,462	213	0.03
			1,506	0.19

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Trading Companies & Distributors 1.66% (1.64%)				
Ashtead Group	GBP	162,987	3,215	0.41
Bunzl	GBP	112,008	2,456	0.31
Diploma	GBP	36,838	454	0.06
Ferguson	GBP	77,373	4,249	0.54
Grafton Group	GBP	72,438	503	0.06
Howden Joinery Group	GBP	196,176	855	0.11
Macfarlane Group	GBP	51,890	48	0.01
SIG	GBP	197,425	227	0.03
Speedy Hire	GBP	169,988	105	0.01
Travis Perkins	GBP	84,193	853	0.11
Vp	GBP	5,519	60	0.01
			13,025	1.66
Transportation Infrastructure 0.14% (0.13%)				
BBA Aviation	GBP	341,210	875	0.11
James Fisher & Sons	GBP	13,645	239	0.03
			1,114	0.14
Industrials total			**78,551**	**10.05**
Information Technology 1.44% (2.17%)				
Communications Equipment 0.03% (0.02%)				
Spirent Communications	GBP	201,145	235	0.03
			235	0.03
Electronic Equipment, Instruments & Components 0.53% (0.56%)				
DiscoverIE Group	GBP	23,830	90	0.01
Electrocomponents	GBP	147,604	922	0.12
Halma	GBP	126,382	1,590	0.20
Oxford Instruments	GBP	17,718	163	0.02
Renishaw	GBP	11,403	456	0.06
Spectris	GBP	38,573	809	0.10
TT Electronics	GBP	54,089	123	0.02
			4,153	0.53
IT Services 0.17% (0.57%)				
Computacenter	GBP	23,692	290	0.04
Equiniti Group, ADR	GBP	108,075	218	0.03
FDM Group Holdings	GBP	28,253	244	0.03
Kainos Group	GBP	18,330	70	0.01
NCC Group	GBP	88,292	171	0.02
Softcat	GBP	41,294	309	0.04
			1,302	0.17
Semiconductors & Semiconductor Equipment 0.00% (0.02%)				
Nanoco Group	GBP	89,930	30	–
			30	–
Software 0.71% (0.99%)				
Alfa Financial Software Holdings	GBP	32,330	47	0.01
Avast	GBP	80,372	227	0.03
AVEVA Group	GBP	21,172	553	0.07
Micro Focus International	GBP	143,081	1,974	0.25
Microgen	GBP	19,956	81	0.01
Sage Group	GBP	361,597	2,039	0.26
SDL	GBP	30,124	139	0.02
Sophos Group	GBP	109,050	497	0.06
			5,557	0.71
Technology Hardware, Storage & Peripherals 0.00% (0.01%)				
Xaar	GBP	25,855	37	–
			37	–
Information Technology total			**11,314**	**1.44**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Funds 4.90% (4.37%)				
Investment Companies 4.90% (4.37%)				
3i Infrastructure	GBP	180,956	447	0.07
Aberdeen Asian Income Fund	GBP	60,815	116	0.01
Aberdeen Asian Smaller Cos. Investment Trust 'O'	GBP	11,316	106	0.01
Aberdeen Diversified Income and Growth Trust	GBP	109,879	135	0.02
Aberdeen New Dawn Investment Trust	GBP	37,698	76	0.01
Aberdeen New India Investment Trust	GBP	19,408	76	0.01
Aberforth Smaller Companies Trust	GBP	30,585	379	0.05
Aberforth Split Level Income Trust	GBP	64,743	56	0.01
Alcentra European Floating Rate Income Fund	GBP	41,579	41	0.01
Alliance Trust	GBP	113,468	816	0.10
Allianz Technology Trust	GBP	10,873	149	0.02
Apax Global Alpha	GBP	86,460	115	0.01
Artemis Alpha Trust	GBP	11,987	35	–
Baillie Gifford Japan Trust	GBP	30,121	237	0.03
Baillie Gifford Shin Nippon	GBP	82,000	151	0.02
Baillie Gifford UK Growth Fund	GBP	50,296	83	0.01
Bankers Investment Trust	GBP	40,860	341	0.04
BB Healthcare Trust	GBP	89,818	118	0.02
BBGI SICAV	GBP	175,704	258	0.03
Beta Global Emerging Markets Investment Trust^	GBP	12,346	–	–
BH Global	GBP	6,048	90	0.01
BH Macro	GBP	4,705	109	0.01
Biotech Growth Trust	GBP	18,272	130	0.02
BlackRock Frontiers Investment Trust	GBP	66,321	89	0.01
BlackRock Greater Europe Investment Trust	GBP	29,000	94	0.01
BlackRock Latin American Investment Trust	GBP	13,397	56	0.01
BlackRock New Energy Investment Trust^	GBP	72,800	–	–
Blackrock North American Income Trust	GBP	23,464	39	–
BlackRock Smaller Cos. Trust	GBP	15,898	211	0.03
Blackrock Throgmorton Trust	GBP	24,425	124	0.02
BlackRock World Mining Trust	GBP	58,776	206	0.03
Bluefield Solar Income Fund	GBP	123,760	152	0.02
British Empire Trust	GBP	37,656	271	0.03
Brunner Investment Trust	GBP	9,889	72	0.01
Caledonia Investments	GBP	10,824	294	0.04
Capital Gearing Trust	GBP	1,848	74	0.01
CC Japan Income & Growth Trust	GBP	39,840	61	0.01
City Merchants High Yield Trust	GBP	32,488	61	0.01
City of London Investment Trust	GBP	117,861	468	0.06
CQS New City High Yield Fund	GBP	132,710	78	0.01
CVC Credit Partners European Opportunities	GBP	100,690	113	0.01
Diverse Income Trust	GBP	115,204	112	0.01
Dragon Capital – Vietnam Enterprise Investments 'C'	GBP	65,293	297	0.04
Dunedin Income Growth Investment Trust	GBP	49,970	120	0.02
Ecofin Global Utilities and Infrastructure Trust	GBP	31,315	38	–
Edinburgh Dragon Trust	GBP	63,040	211	0.03
Edinburgh Investment Trust	GBP	65,095	415	0.05
Edinburgh Worldwide Investment Trust	GBP	17,358	143	0.02
Electra Private Equity	GBP	8,790	70	0.01
EP Global Opportunities Trust	GBP	13,371	40	0.01
European Investment Trust	GBP	13,995	115	0.01
F&C Capital & Income Investment Trust	GBP	33,665	102	0.01
F&C Commercial Property Trust	GBP	175,606	234	0.03
F&C Global Smaller Companies	GBP	20,028	273	0.03
F&C Private Equity Trust 'O'	GBP	24,577	82	0.01
Fidelity Asian Values	GBP	22,971	85	0.01
Fidelity China Special Situations	GBP	124,062	235	0.03
Fidelity European Values	GBP	138,407	300	0.04
Fidelity Japanese Values	GBP	46,148	69	0.01
Fidelity Special Values	GBP	61,125	155	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Companies 4.90% (4.37%) (continued)				
Finsbury Growth & Income Trust	GBP	56,077	414	0.05
Foreign & Colonial Investment Trust	GBP	180,953	1,212	0.15
Foresight Solar Fund	GBP	165,048	180	0.02
Funding Circle SME Income Fund	GBP	111,780	112	0.01
Fundsmith Emerging Equities Trust	GBP	8,600	92	0.01
GCP Asset-Backed Income Fund	GBP	105,871	112	0.01
GCP Infrastructure Investments	GBP	287,647	358	0.05
Genesis Emerging Markets Fund	GBP	44,954	281	0.04
Govett Strategic Investment Trust^	GBP	17,530	–	–
Greencoat UK Wind Fund	GBP	377,459	476	0.06
Hansa Trust	GBP	1,300	13	–
HarbourVest Global Private Equity	GBP	26,667	366	0.05
Henderson Alternative Strategies Trust	GBP	12,978	36	–
Henderson Diversified Income Trust	GBP	64,486	53	0.01
Henderson European Focus Trust	GBP	7,142	82	0.01
Henderson EuroTrust	GBP	7,013	74	0.01
Henderson Far East Income	GBP	41,004	138	0.02
Henderson High Income Trust	GBP	42,540	69	0.01
Henderson International Income Trust	GBP	59,160	91	0.01
Henderson Smaller Companies Investment Trust	GBP	24,876	209	0.03
Herald Investment Trust	GBP	23,201	281	0.04
HgCapital Trust	GBP	11,491	227	0.03
HICL Infrastructure	GBP	597,134	921	0.13
Highbridge Multi-Strategy Fund	GBP	34,316	75	0.01
ICG Enterprise Trust	GBP	23,000	194	0.02
ICG-Longbow Senior Secured UK Property Debt Investments	GBP	37,362	38	–
Impax Environmental Markets	GBP	60,221	157	0.02
Independent Investment Trust	GBP	10,570	67	0.01
International Biotechnology Trust	GBP	12,430	74	0.01
International Public Partnerships	GBP	468,454	715	0.09
INVESCO Asia Trust	GBP	24,160	60	0.01
Invesco Income Growth Trust	GBP	19,939	51	0.01
Invesco Perpetual UK Smaller Cos. Investment Trust	GBP	11,171	53	0.01
John Laing Environmental Assets Group	GBP	111,840	116	0.01
JPMorgan American Investment Trust	GBP	73,909	325	0.04
JPMorgan Asian Investment Trust	GBP	31,463	97	0.01
JPMorgan Chinese Investment Trust	GBP	24,828	57	0.01
JPMorgan Claverhouse Investment Trust	GBP	18,335	127	0.02
JPMorgan Emerging Markets Investment Trust	GBP	41,269	324	0.04
JPMorgan European Investment Trust 'Growth Shares'	GBP	24,835	67	0.01
JPMorgan European Investment Trust 'Income Shares'	GBP	34,685	51	0.01
JPMorgan European Smaller Cos. Trust	GBP	53,237	194	0.02
JPMorgan Global Convertibles Income Fund	GBP	48,783	43	0.01
JPMorgan Global Emerging Markets Income Trust	GBP	99,256	115	0.01
JPMorgan Global Growth & Income	GBP	43,140	132	0.02
JPMorgan Indian Investment Trust	GBP	34,924	207	0.03
JPMorgan Japan Smaller Companies Trust	GBP	18,033	73	0.01
JPMorgan Japanese Investment Trust	GBP	53,806	232	0.03
JPMorgan Mid Cap Investment Trust	GBP	7,906	80	0.01
JPMorgan Russian Securities	GBP	16,739	85	0.01
JPMorgan Smaller Companies Investment Trust	GBP	5,417	59	0.01
JPMorgan US Smaller Companies Investment Trust	GBP	19,300	59	0.01
Jupiter European Opportunities Trust	GBP	35,584	269	0.03
Jupiter US Smaller Companies	GBP	4,933	49	0.01
Keystone Investment Trust	GBP	4,476	70	0.01
Law Debenture	GBP	38,985	224	0.03
Lindsell Train Investment Trust	GBP	58	68	0.01
Lowland Investment	GBP	8,856	122	0.02
Macau Property Opportunities Fund	GBP	17,847	32	–
Majedie Investments	GBP	9,201	25	–
Martin Currie Asia Unconstrained Trust	GBP	12,275	41	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Companies 4.90% (4.37%) (continued)				
Martin Currie Global Portfolio Trust	GBP	29,297	70	0.01
MedicX Fund	GBP	143,489	111	0.01
Merchants Trust	GBP	36,587	171	0.02
Mid Wynd International Investment Trust	GBP	11,770	57	0.01
Middlefield Canadian Income PCC	GBP	36,083	34	–
Monks Investment Trust	GBP	71,995	557	0.07
Montanaro European Smaller Cos. Trust	GBP	5,655	48	0.01
Montanaro UK Smaller Companies Investment Trust	GBP	53,800	61	0.01
Murray Income Trust	GBP	22,464	160	0.02
Murray International Trust 'O'	GBP	41,358	445	0.06
NB Global Floating Rate Income Fund	GBP	283,365	260	0.03
NB Private Equity Partners	GBP	16,420	175	0.02
NextEnergy Solar Fund	GBP	191,933	210	0.03
North American Income Trust	GBP	9,514	121	0.02
North Atlantic Smaller Cos. Investment Trust	GBP	3,382	99	0.01
P2P Global Investments	GBP	25,858	200	0.03
Pacific Assets Trust	GBP	40,055	99	0.01
Pacific Horizon Investment Trust	GBP	18,513	55	0.01
Pantheon International	GBP	17,964	372	0.05
Perpetual Income and Growth Investment Trust 'O'	GBP	80,682	269	0.03
Pershing Square Holdings	GBP	71,018	781	0.10
Personal Assets Trust	GBP	697	274	0.04
Picton Property Income	GBP	180,405	152	0.02
Polar Capital Global Financials Trust	GBP	67,815	87	0.01
Polar Capital Global Healthcare Trust	GBP	40,734	84	0.01
Polar Capital Technology Trust	GBP	44,563	525	0.07
Princess Private Equity Holding	GBP	23,039	199	0.03
Ranger Direct Lending Fund	GBP	4,590	34	–
RIT Capital Partners	GBP	42,266	846	0.10
Riverstone Energy	GBP	18,592	234	0.03
Ruffer Investment	GBP	58,194	130	0.02
Schroder Asian Total Return Investment	GBP	29,406	94	0.01
Schroder AsiaPacific Fund	GBP	55,812	216	0.03
Schroder Income Growth Fund	GBP	23,341	63	0.01
Schroder Japan Growth Fund	GBP	41,619	84	0.01
Schroder Oriental Income Fund	GBP	84,417	196	0.03
Schroder UK Mid Cap Fund	GBP	12,205	60	0.01
Scottish American Investment	GBP	46,266	164	0.02
Scottish Investment Trust	GBP	26,044	213	0.03
Scottish Mortgage Investment Trust	GBP	480,872	2,302	0.28
Scottish Oriental Smaller Companies Trust	GBP	9,920	85	0.01
Securities Trust of Scotland	GBP	35,932	57	0.01
Sequoia Economic Infrastructure Income Fund	GBP	273,280	301	0.04
SQN Asset Finance Income Fund	GBP	119,560	117	0.01
SQN Asset Finance Income Fund 'C'	GBP	47,331	44	0.01
Standard Life Aberdeen	GBP	979,363	2,641	0.33
Standard Life Equity Income Trust	GBP	16,234	72	0.01
Standard Life Private Equity Trust	GBP	25,084	85	0.01
Standard Life UK Smaller Cos. Trust	GBP	34,114	156	0.02
Starwood European Real Estate Finance	GBP	125,457	133	0.02
State of California^	GBP	23,950	–	–
Strategic Equity Capital	GBP	21,059	45	0.01
Syncona	GBP	127,661	338	0.04
Temple Bar Investment Trust	GBP	22,414	268	0.03
Templeton Emerging Markets Investment Trust 'O'	GBP	87,163	571	0.07
TR European Growth Trust	GBP	16,756	149	0.02
TR Property Investment Trust 'Ordinary Shares'	GBP	105,884	406	0.05
Troy Income & Growth Trust	GBP	94,993	69	0.01
TwentyFour Income Fund	GBP	132,028	158	0.02
TwentyFour Select Monthly Income Fund	GBP	57,890	56	0.01
UK Commercial Property REIT	GBP	217,281	187	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Investment Companies 4.90% (4.37%) (continued)				
Utilico Emerging Markets Trust	GBP	61,494	116	0.01
Value and Income Trust	GBP	13,173	33	–
VinaCapital Vietnam Opportunity Fund	GBP	63,862	208	0.03
VPC Specialty Lending Investments	GBP	122,330	97	0.01
Witan Investment Trust	GBP	59,102	600	0.08
Witan Pacific Investment Trust	GBP	21,500	62	0.01
Woodford Patient Capital Trust	GBP	275,720	229	0.03
Worldwide Healthcare Trust	GBP	16,520	428	0.05
			38,270	4.90
Investment Funds total			**38,270**	**4.90**
Materials 9.03% (9.03%)				
Chemicals 0.79% (0.77%)				
Croda International	GBP	42,389	1,893	0.24
Elementis	GBP	153,617	344	0.04
Elementis Rights 18/10/2018	GBP	38,404	28	–
Essentra	GBP	87,120	319	0.04
Johnson Matthey	GBP	63,361	1,961	0.26
Sirius Minerals	GBP	1,501,609	377	0.05
Synthomer	GBP	88,730	416	0.05
Treatt	GBP	19,140	84	0.01
Victrex	GBP	27,191	713	0.09
Zotefoams	GBP	13,290	68	0.01
			6,203	0.79
Construction Materials 0.96% (1.04%)				
CRH	GBP	277,636	6,527	0.83
Forterra	GBP	67,420	158	0.02
Ibstock	GBP	128,983	266	0.03
Low & Bonar	GBP	111,930	40	0.01
Marshalls	GBP	65,946	275	0.03
Rhi Magnesita	GBP	8,112	315	0.04
			7,581	0.96
Containers & Packaging 0.60% (0.55%)				
DS Smith	GBP	423,918	1,716	0.22
RPC Group	GBP	133,527	1,009	0.13
Smurfit Kappa Group	GBP	79,202	1,993	0.25
			4,718	0.60
Metals & Mining 6.40% (6.39%)				
Acacia Mining	GBP	49,060	78	0.01
Anglo American	GBP	329,337	5,599	0.72
Antofagasta	GBP	115,467	910	0.12
BHP Billiton	GBP	693,704	11,013	1.40
Centamin	GBP	360,217	374	0.05
Evraz	GBP	169,048	907	0.12
Ferrexpo	GBP	97,826	224	0.03
Fresnillo	GBP	61,518	561	0.07
Gem Diamonds	GBP	37,113	43	0.01
Glencore	GBP	3,895,599	12,410	1.59
Hill & Smith Holdings	GBP	26,351	241	0.03
Hochschild Mining	GBP	83,413	135	0.02
KAZ Minerals	GBP	77,637	392	0.05
Kenmare Resources	GBP	26,200	62	0.01
Lonmin	GBP	90,579	54	0.01
Petra Diamonds	GBP	282,000	105	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Metals & Mining 6.40% (6.39%) (continued)				
Petropavlovsk	GBP	984,660	61	0.01
Polymetal International	GBP	76,715	522	0.07
Randgold Resources	GBP	31,228	1,899	0.24
Rio Tinto	GBP	384,241	14,355	1.83
			49,945	6.40
Paper & Forest Products 0.28% (0.28%)				
Mondi	GBP	122,256	2,200	0.28
			2,200	0.28
Materials total			**70,647**	**9.03**
Real Estate 2.30% (2.31%)				
Equity Real Estate Investment Trusts (REITs) 1.99% (1.96%)				
Aberdeen Standard European Logistics Income	GBP	60,640	64	0.01
Assura	GBP	781,959	426	0.05
Big Yellow Group	GBP	48,581	413	0.05
British Land	GBP	327,175	1,834	0.23
Capital & Regional	GBP	179,949	68	0.01
Civitas Social Housing	GBP	117,060	124	0.02
Custodian Reit	GBP	119,350	135	0.02
Derwent London	GBP	33,423	923	0.12
Ediston Property Investment	GBP	69,734	74	0.01
Empiric Student Property	GBP	195,042	185	0.02
F&C UK Real Estate Investment	GBP	79,581	75	0.01
GCP Student Living	GBP	128,180	187	0.02
Great Portland Estates	GBP	93,772	616	0.08
Hammerson	GBP	264,963	1,139	0.15
Hansteen Holdings	GBP	134,459	131	0.02
Intu Properties	GBP	295,567	541	0.07
Land Securities Group	GBP	237,720	1,927	0.25
LondonMetric Property	GBP	214,408	373	0.05
LXI REIT	GBP	80,397	91	0.01
McKay Securities	GBP	28,653	73	0.01
NewRiver REIT	GBP	99,750	257	0.03
Primary Health Properties	GBP	239,287	255	0.03
RDI REIT	GBP	425,580	137	0.02
Regional REIT	GBP	106,265	104	0.01
Residential Secure Income	GBP	60,400	56	0.01
Safestore Holdings	GBP	68,085	340	0.04
Schroder European Real Estate Investment Trust	GBP	39,720	44	0.01
Schroder Real Estate Investment Trust	GBP	173,342	101	0.01
Segro	GBP	336,263	1,993	0.26
Shaftesbury	GBP	76,545	663	0.08
Standard Life Investment Property Income Trust	GBP	134,757	119	0.02
Target Healthcare REIT	GBP	113,360	126	0.02
Town Centre Securities	GBP	8,243	21	–
Triple Point Social Housing Reit	GBP	66,238	69	0.01
Tritax Big Box REIT	GBP	491,427	711	0.09
UNITE Group	GBP	86,656	727	0.09
Workspace Group	GBP	44,339	412	0.05
			15,534	1.99
Real Estate Management & Development 0.31% (0.35%)				
Capital & Counties Properties	GBP	244,662	581	0.07
CLS Holdings	GBP	52,235	108	0.01
Countrywide	GBP	120,421	13	–
Daejan Holdings	GBP	1,508	86	0.01
Foxtons Group	GBP	85,912	46	0.01
Grainger	GBP	136,740	372	0.05
Harworth Group	GBP	50,999	62	0.01
Helical	GBP	32,963	102	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Real Estate Management & Development 0.31% (0.35%) (continued)				
LSL Property Services	GBP	27,419	73	0.01
Palace Capital	GBP	14,900	44	0.01
Phoenix Spree Deutschland	GBP	28,690	99	0.01
Raven Russia	GBP	130,859	55	0.01
Savills	GBP	43,787	317	0.04
Sirius Real Estate	GBP	306,450	181	0.02
St Modwen Properties	GBP	58,904	215	0.03
U & I Group	GBP	41,527	88	0.01
			2,442	0.31
Real Estate total			**17,976**	**2.30**
Utilities 2.66% (2.93%)				
Electric Utilities 0.49% (0.56%)				
SSE	GBP	338,792	3,852	0.49
			3,852	0.49
Independent Power and Renewable Electricity Producers 0.13% (0.09%)				
ContourGlobal	GBP	59,185	98	0.01
Drax Group	GBP	133,704	489	0.07
Renewables Infrastructure Group	GBP	367,839	407	0.05
			994	0.13
Multi-Utilities 1.53% (1.71%)				
Centrica	GBP	1,870,799	2,724	0.35
National Grid	GBP	1,133,166	9,038	1.15
Telecom Plus	GBP	19,085	211	0.03
			11,973	1.53
Water Utilities 0.51% (0.57%)				
Pennon Group	GBP	139,723	987	0.13
Severn Trent	GBP	78,987	1,451	0.19
United Utilities Group	GBP	227,609	1,553	0.19
			3,991	0.51
Utilities total			**20,810**	**2.66**
Equities total			**758,681**	**97.06**
Investment assets			758,681	97.06
Net other assets			22,984	2.94
Net assets			**781,665**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
^ Unlisted, suspended or delisted security.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(56,648)		65,655
Revenue	3	31,297		32,226	
Expenses	4	(2,050)		(2,106)	
Net revenue before taxation		29,247		30,120	
Taxation	5	(227)		(224)	
Net revenue after taxation			29,020		29,896
Total return before distributions			**(27,628)**		**95,551**
Distributions	6		(29,020)		(29,896)
Change in net assets attributable to shareholders from investment activities			**(56,648)**		**65,655**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**794,415**		**808,966**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	69,385		17,948	
Amounts payable on cancellation of shares	(51,452)		(123,565)	
		17,933		(105,617)
Dilution adjustment		248		91
Change in net assets attributable to shareholders from investment activities (see above)		(56,648)		65,655
Retained distribution on accumulation shares		25,716		25,320
Unclaimed distributions		1		–
Closing net assets attributable to shareholders		**781,665**		**794,415**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	758,681	776,756
Current assets:			
Debtors	8	7,469	5,506
Cash and bank balances	9	18,436	15,482
Total assets		**784,586**	**797,744**
Liabilities:			
Creditors:			
Distributions payable		(2,062)	(1,858)
Other creditors	10	(859)	(1,471)
Total liabilities		**(2,921)**	**(3,329)**
Net assets attributable to shareholders		**781,665**	**794,415**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency (losses)/gains	(4)	9
Derivative contracts losses	(111)	–
Expenses relating to the purchase and sale of investments	(22)	(20)
Non-derivative securities (losses)/gains	(56,511)	65,666
Net capital (losses)/gains	**(56,648)**	**65,655**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	5	29
Interest on debt securities	4	–
Overseas dividends	4,587	4,478
Property income distributions	542	582
Scrip dividends	–	29
UK dividends	26,159	27,108
Total revenue	**31,297**	**32,226**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	1,940	1,926
	1,940	1,926
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	44	71
Interest payable	–	1
Safe custody fee	8	13
	52	85
Other expenses:		
Audit fee**	7	11
FTSE® Index Tracker Fund licence fee	47	74
Printing and postage expenses	1	–
Statement fees	15	28
	70	113
Total expenses	**2,062**	**2,124**
Less those expenses rebated by the ACD	(12)	(18)
Net expenses	**2,050**	**2,106**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,601 (2017: £9,161) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Adjustments in respect of prior period	(2)	(4)
Overseas tax suffered	229	228
Total current tax (see note 5b)	**227**	**224**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**29,247**	**30,120**
Corporation tax at 20%	5,849	6,024
Effects of:		
Adjustments in respect of prior period	(2)	(4)
Irrecoverable overseas withholding tax	229	228
Movement in excess management expenses	286	272
Overseas dividends not subject to corporation tax	(912)	(882)
Stock dividends not subject to corporation tax	–	(6)
UK dividends not subject to corporation tax	(5,223)	(5,408)
	(5,622)	(5,800)
Current tax charge (see note 5a)	**227**	**224**

Open-ended investment companies are exempt from tax on capital gains, therefore, any capital returns are not included in the above reconciliation.

c Deferred tax

There is no material unprovided deferred tax (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £37,550,420 (2017: £36,121,594) creating a potential deferred tax asset of £7,510,084 (2017: £7,224,319). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	11,964	13,962
Final distribution	17,266	14,817
	29,230	28,779
Add: Revenue deducted on cancellation of shares	433	1,274
Deduct: Revenue received on issue of shares	(643)	(157)
Total distributions	**29,020**	**29,896**
Reconciliation of distributions for the year to net revenue after taxation		
Distributions for the year	29,020	29,896
Undistributed revenue brought forward	1	(1)
Undistributed revenue carried forward	(1)	1
Net revenue after taxation	**29,020**	**29,896**

Details of the distributions per share are set out in the distribution tables on page 89.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	758,681	776,756
Total value	**758,681**	**776,756**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	2,007	1,569
Accrued expense fee rebate	–	2
Amounts receivable on issue of shares	1,422	33
Overseas tax recoverable	144	115
Prepaid expenses	–	7
Sales awaiting settlement	3,896	3,780
Total debtors	**7,469**	**5,506**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	18,436	15,482
Total cash and bank balances	**18,436**	**15,482**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	232	380
Amounts payable for cancellation of shares	627	1,091
Total other creditors	**859**	**1,471**

11 Contingent liabilities and commitments

The contingent liabilities and commitments at the year end date are as follows:

	As at 15.10.18 £000	As at 15.10.17 £000
Elementis Rights 18/10/2018	58	–
EnQuest Rights 19/10/2018	32	–
Equiniti Group Rights 16/10/2017	–	35
Total contingent liabilities	**90**	**35**

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £232,151 (2017: £218,206). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £22,836,778 (2017: £22,757,462). The amount outstanding at the year end was £13,579,107 (2017: £11,570,241). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £33,199,451 (2017: £273,124) and £33,142,192 (2017: £1,070,795) respectively. The income received during the year amounted to £375,666 (2017: £339,840).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	28,752	(10,352,644)	10,381,396
ACD and related parties (Class 2 Income shares)	1,533,131	346,888	1,186,243
ACD and related parties (Class 3 Accumulation shares)	256,841,368	10,064,596	246,776,772

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.48%
Class 2: 0.23%
Class 3: 0.23%
Class A: 0.10%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 64 and 65. The distributions per share are given in the distribution tables on page 89. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	114,403,338	4,519,427	(6,944,051)	(148,503)	111,830,211
Class 2 Income shares	10,695,753	1,270,834	(1,745,949)	90,610	10,311,248
Class 3 Accumulation shares	246,776,772	24,800,607	(14,736,011)	–	256,841,368
Class A Accumulation shares	74,782,966	1,694,453	(6,533,790)	–	69,943,629

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 0.09% (2017: 0.08%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 0.01% (2017: 0.01%).

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 2.36% (2017: 1.95%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 97.06% (2017: 97.78%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.71% (2017: 9.78%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(90,573)	(2)	(422)	(90,997)	0.00%	0.47%
Funds	(32,600)	–	–	(32,600)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(1,624)	–	–	(1,624)	0.00%	0.00%
	(124,797)	(2)	(422)	(125,221)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	53,839	(8)	(1)	53,830	0.01%	0.00%
Funds	32,600	–	–	32,600	0.00%	0.00%
Sales (include Corporate Action activity only)						
Equities	–	–	–	–	0.00%	0.00%
	86,439	(8)	(1)	86,430		
Total		(10)	(423)			
Percentage of Fund average net assets		0.00%	0.05%			

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(59,387)	(1)	(292)	(59,680)	0.00%	0.49%
Purchases (include Corporate Action activity only)						
Equities	(1,447)	–	–	(1,447)	0.00%	0.00%
	(60,834)	(1)	(292)	(61,127)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	132,630	(9)	(2)	132,619	0.01%	0.00%
	132,630	(9)	(2)	132,619		
Total		(10)	(294)			
Percentage of Fund average net assets		0.00%	0.04%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.10% (2017: 0.08%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	1.5858	–	1.5858	1.3871
	Group 2	0.8465	0.7393	1.5858	1.3871
Class 2 Income shares	Group 1	2.7952	–	2.7952	2.5365
	Group 2	1.5433	1.2519	2.7952	2.5365

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Accumulation shares	Group 1	5.2701	–	5.2701	4.6180
	Group 2	2.7623	2.5078	5.2701	4.6180
Class A Accumulation shares	Group 1	2.3857	–	2.3857	2.0894
	Group 2	1.1490	1.2367	2.3857	2.0894

Final distribution

Group 1 shares are those shares purchased at or before 5:00pm on 15 April 2018.
Group 2 shares are those shares purchased after 5:00pm on 15 April 2018.

Interim distribution paid in pence per share for the six months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	1.0883	–	1.0883	1.1730
	Group 2	0.7283	0.3600	1.0883	1.1730
Class 2 Income shares	Group 1	2.0458	–	2.0458	2.1708
	Group 2	1.0025	1.0433	2.0458	2.1708

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Accumulation shares	Group 1	3.7960	–	3.7960	3.8854
	Group 2	2.0422	1.7538	3.7960	3.8854
Class A Accumulation shares	Group 1	1.7319	–	1.7319	1.7608
	Group 2	0.9965	0.7354	1.7319	1.7608

Interim distribution

Group 1 shares are those shares purchased at or before 5:00pm on 15 October 2017.
Group 2 shares are those shares purchased after 5:00pm on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -0.82 per cent (share class 1), net of fees, compared with an average return of -1.02 per cent for its peer group the Investment Association UK Smaller Companies sector. The FTSE® Small Cap ex IT Index, the Fund's benchmark, returned -4.94 per cent.

Review
The UK equity market has struggled to make progress over the last year. The market has faced the macroeconomic headwinds of global monetary tightening, especially in the US, and escalating global trade tensions most notably between the US and China, together with Brexit implications which are quite UK specific. The UK voted in June 2016 to leave the EU and progress on withdrawal negotiations since then has been slow with many stumbling blocks. The Brexit cut-off date is the 29 March 2019 and with five months to go it is still hard to forecast what will be in place by this date. Such uncertainty is preoccupying investors, as well as companies and consumers.

Consequently, sterling has fluctuated significantly over the last year as sentiment has swung around. For UK smaller companies, sterling weakness is an issue in various sectors such as retail, where goods are imported from overseas and the currency weakness adds to input costs.

However, despite these uncertainties, the UK economy has been very resilient over the period with unemployment recording its lowest level since 1975 in August. While growth has been muted that has also been the case in mainland Europe. UK consumer spending has been affected this calendar year by extreme winter weather followed by the heatwave over the summer, both of which affected spending patterns, although a more concerning feature from a longer-term viewpoint is the decline in the household savings ratio.

Our holding in Fevertree Drinks performed very strongly during the year under review. Fevertree, a supplier of premium mixer drinks, continues to be a phenomenal growth story as the company has increased its market share globally and repeatedly upped earnings guidance throughout the reporting period. While the potential opportunities in the US for Fevertree's products remains material, we have reduced our shareholding a few times on valuation grounds although the shares remain a top 10 holding in the Fund. Other successful holdings which were also reduced during the year were Keyword Studios, Dechra Pharmaceuticals and First Derivatives, all before the market sold off late in the reporting period.

We added several new holdings including Learning Technologies Group, Faroe Petroleum, Breedon, Tritax Eurobox, Gocompare.Com Group and AB Dynamics.

Learning Technologies is an exciting e-learning services and technology company, which delivered strong interim earnings growth for the 6-month period up to the end of June and materially increased full year guidance as the company has strong visibility via their high recurring revenue exposure.

Faroe Petroleum is an exploration and production group focused on the North Sea, and we recently saw the Norwegian major DNO take a stake of over 15% in the company.

Breedon is a manufacturer of construction materials and we established the holding following the significant acquisition of Irish peer Lagan. We expect management to extract material cost and operating synergies from the deal over the medium term.

The Fund has historically successfully owned the UK-focused Tritax Big Box REIT, and the flotation of Tritax Eurobox REIT, which is similarly focused on the logistics storage space, provided an opportunity to gain exposure to mainland Europe where the sub sector is earlier in its life cycle.

We added a holding in Gocompare.Com, as the price comparison operator was viewed as a growth market with more consumers converting to using such sites. However, the share price has been hit on disappointing reported revenue growth due to lower customer interactions impacted by the downward trend in car insurance premiums. However, the company firmly remains one of the top four comparison sites and is delivering strong margin improvements.

Finally, AB Dynamics is a world leading tester for the global automotive industry, with the largest 25 auto manufacturers using the company to test the next generation of autonomous vehicles. Recent trading news from the company has been very encouraging.

AVIVA INVESTORS UK SMALLER COMPANIES FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Outlook

The macroeconomic and political backdrop has remained unstable and unpredictable. On a monthly basis there have been large sentiment swings in commodities markets based on trade tensions and Chinese growth forecasts. Bond yields have fluctuated in response to forward guidance by central banks to manage expectations on monetary tightening, economic growth indicators and inflation data, while currency markets have reacted to perceived political turmoil based on Brexit negotiations and the Trump administration's trade policies. This volatility will likely continue as QE (quantitative easing) is unwound, interest rates gradually rise, the US mid-term election results are announced, tariffs come into effect, while the UK finalises its exit terms from the EU.

We remain focused on companies with sustainable growth characteristics, and in many cases their markets are niche or detached from the bigger macro issues of Brexit and trade disputes. Further market volatility will be used as opportunities to increase existing holdings where conviction in the investment case is high, or to identify attractive investment opportunities in new holdings.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 92 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
John Menzies	Fevertree Drinks
Alpha Financial Markets Consulting	Dechra Pharmaceuticals
EI Group	CityFibre Infrastructure Holdings
HUNTSWORTH	Keywords Studios
Gocompare.Com Group	First Derivatives
Forterra	Empiric Student Property
AB Dynamics	Servelec Group
Applegreen	Ultra Electronics Holdings
Faroe Petroleum	St Modwen Properties

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'.
- A significant proportion of the Fund may be invested in securities which are not actively traded, and as a result may experience large daily price changes.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	381.36	316.84	307.19
Return before operating charges†	1.61	69.34	13.93
Operating charges	(5.12)	(4.82)	(4.28)
Return after operating charges†	(3.51)	64.52	9.65
Distributions	(2.72)	(1.83)	(1.06)
Retained distributions on accumulation shares	2.72	1.83	1.06
Closing net asset value per share	377.85	381.36	316.84
† after direct transaction costs of	(0.80)	(0.31)	(0.40)
Performance			
Return after charges (%)	(0.92)%	20.36%	3.14%
Other information			
Closing net asset value (£000)	22,725	24,340	22,995
Closing number of shares	6,014,119	6,382,531	7,257,484
Operating charges (%)‡	1.27%	1.41%	1.39%
Direct transaction costs (%)#	0.20%	0.09%	0.13%
Prices≈			
Highest share price	428.57	383.64	329.00
Lowest share price	376.16	301.81	271.87

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	604.44	499.69	482.05
Return before operating charges†	2.46	109.67	21.95
Operating charges	(5.78)	(4.92)	(4.31)
Return after operating charges†	(3.32)	104.75	17.64
Distributions	(6.65)	(5.61)	(4.12)
Retained distributions on accumulation shares	6.65	5.61	4.12
Closing net asset value per share	601.12	604.44	499.69
† after direct transaction costs of	(1.28)	(0.49)	(0.63)
Performance			
Return after charges (%)	(0.55)%	20.96%	3.66%
Other information			
Closing net asset value (£000)	13,859	13,216	12,616
Closing number of shares	2,305,605	2,186,452	2,524,724
Operating charges (%)‡	0.90%	0.91%	0.89%
Direct transaction costs (%)#	0.20%	0.09%	0.13%
Prices≈			
Highest share price	681.57	608.06	518.80
Lowest share price	596.52	476.15	428.14

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	639.13	533.31	518.73
Return before operating charges†	2.57	116.97	23.65
Operating charges	(2.37)	(2.02)	(1.78)
Return after operating charges†	0.20	114.95	21.87
Distributions	(10.76)	(9.13)	(7.29)
Closing net asset value per share	628.57	639.13	533.31
† after direct transaction costs of	(1.35)	(0.50)	(0.68)
Performance			
Return after charges (%)	0.03%	21.55%	4.22%
Other information			
Closing net asset value (£000)	3,146	3,700	32,257
Closing number of shares	500,537	578,946	6,048,483
Operating charges (%)‡	0.35%	0.36%	0.34%
Direct transaction costs (%)#	0.20%	0.09%	0.13%
Prices≈			
Highest share price	718.62	647.88	557.44
Lowest share price	631.10	508.41	459.36

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.04%**	1.41%
Class 2	0.89%	0.91%
Class 3	0.34%	0.36%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.08% (95.64%)				
Communication Services 10.73% (9.77%)				
Diversified Telecommunication Services 0.00% (1.25%)				
Wireless Telecommunication Services 0.00% (0.02%)				
Media 10.73% (8.50%)				
4imprint Group	GBP	76,492	1,423	3.58
Huntsworth	GBP	746,719	866	2.18
M&C Saatchi#	GBP	228,225	790	1.99
Next Fifteen Communications Group#	GBP	251,150	1,183	2.98
			4,262	10.73
Communication Services total			**4,262**	**10.73**
Consumer Discretionary 17.43% (9.64%)				
Auto Components 1.85% (0.06%)				
AB Dynamics#	GBP	57,511	736	1.85
Torotrak^	GBP	1	–	–
			736	1.85
Distributors 2.20% (0.00%)				
John Menzies	GBP	164,578	876	2.20
			876	2.20
Hotels, Restaurants & Leisure 4.21% (3.37%)				
EI Group	GBP	509,383	824	2.07
Sportech	GBP	1,439,958	850	2.14
			1,674	4.21
Household Durables 2.66% (1.71%)				
Vitec Group	GBP	81,661	1,057	2.66
			1,057	2.66
Internet & Direct Marketing Retail 1.42% (0.00%)				
Gocompare.Com Group	GBP	599,901	564	1.42
			564	1.42
Specialty Retail 3.80% (2.63%)				
Applegreen^	EUR	111,908	599	1.51
BCA Marketplace	GBP	307,397	580	1.46
Topps Tiles	GBP	539,417	330	0.83
			1,509	3.80
Textiles, Apparel & Luxury Goods 1.29% (1.87%)				
Ted Baker	GBP	25,822	510	1.29
			510	1.29
Consumer Discretionary total			**6,926**	**17.43**
Consumer Staples 5.46% (8.15%)				
Beverages 3.41% (4.87%)				
Fevertree Drinks#	GBP	47,669	1,355	3.41
			1,355	3.41
Household Products 2.05% (3.28%)				
McBride	GBP	635,990	813	2.05
			813	2.05
Consumer Staples total			**2,168**	**5.46**
Energy 1.77% (0.00%)				
Oil, Gas & Consumable Fuels 1.77% (0.00%)				
Faroe Petroleum#	GBP	454,036	704	1.77
			704	1.77
Energy total			**704**	**1.77**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Financials 5.06% (5.92%)				
Banks 0.00% (0.98%)				
Capital Markets 4.34% (4.94%)				
Numis#	GBP	122,845	365	0.92
River & Mercantile Group	GBP	116,381	340	0.85
Sanne Group	GBP	174,862	1,021	2.57
			1,726	4.34
Diversified Financial Services 0.72% (0.00%)				
Sherborne Investors Guernsey C	GBP	389,298	286	0.72
			286	0.72
Financials total			**2,012**	**5.06**
Health Care 13.69% (17.97%)				
Biotechnology 3.11% (2.57%)				
Abcam#	GBP	100,654	1,215	3.06
Circassia Pharmaceuticals	GBP	29,797	22	0.05
			1,237	3.11
Health Care Equipment & Supplies 5.52% (5.63%)				
Advanced Medical Solutions Group#	GBP	309,218	854	2.15
Consort Medical	GBP	121,545	1,339	3.37
			2,193	5.52
Health Care Providers & Services 3.15% (4.15%)				
CVS Group#	GBP	150,758	1,250	3.15
			1,250	3.15
Health Care Technology 0.00% (1.27%)				
Pharmaceuticals 1.91% (4.35%)				
Abaco Capital^	GBP	3,998,843	–	–
Dechra Pharmaceuticals	GBP	36,605	760	1.91
			760	1.91
Health Care total			**5,440**	**13.69**
Industrials 10.58% (8.07%)				
Aerospace & Defense 0.00% (1.93%)				
Building Products 2.94% (2.73%)				
Tyman	GBP	178,240	567	1.43
Volution Group	GBP	318,446	602	1.51
			1,169	2.94
Electrical Equipment 0.00% (0.03%)				
Flowgroup#^	GBP	1	–	–
			–	–
Industrial Conglomerates 0.00% (0.00%)				
Dyson Group^	GBP	690,837	–	–
			–	–
Professional Services 7.64% (3.38%)				
Alpha Financial Markets Consulting#	GBP	495,493	1,040	2.62
GlobalData#	GBP	216,867	1,214	3.05
Ricardo	GBP	103,657	782	1.97
			3,036	7.64
Industrials total			**4,205**	**10.58**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Information Technology 15.19% (17.06%)				
Electronic Equipment, Instruments & Components 8.93% (6.98%)				
DiscoverIE Group	GBP	469,254	1,774	4.46
Gooch & Housego#	GBP	35,960	602	1.52
Midwich Group#	GBP	196,640	1,170	2.95
			3,546	8.93
Internet Services & Infrastructure 0.00% (2.30%)				
IT Services 4.74% (7.78%)				
Eagle Eye Solutions Group#	GBP	375,274	420	1.06
First Derivatives#	GBP	19,787	617	1.55
Keywords Studios#	GBP	60,106	848	2.13
			1,885	4.74
Software 1.52% (0.00%)				
Learning Technologies Group#	GBP	519,703	603	1.52
			603	1.52
Information Technology total			**6,034**	**15.19**
Materials 5.27% (5.40%)				
Chemicals 1.13% (1.14%)				
Victrex	GBP	17,629	450	1.13
			450	1.13
Construction Materials 4.14% (2.38%)				
Breedon Group#	GBP	486,114	331	0.83
Forterra	GBP	558,315	1,312	3.31
			1,643	4.14
Containers & Packaging 0.00% (0.93%)				
Paper & Forest Products 0.00% (0.95%)				
Materials total			**2,093**	**5.27**
Real Estate 12.90% (13.66%)				
Equity Real Estate Investment Trusts (REITs) 8.82% (9.09%)				
Big Yellow Group	GBP	163,666	1,376	3.46
Empiric Student Property	GBP	831,160	796	2.00
PRS REIT	GBP	355,836	359	0.91
Tritax EuroBox	GBP	225,851	225	0.57
Warehouse REIT#	GBP	810,581	746	1.88
			3,502	8.82
Real Estate Management & Development 4.08% (4.57%)				
Helical	GBP	90,380	282	0.71
Savills	GBP	64,031	461	1.16
Sigma Capital Group#	GBP	320,920	417	1.05
St Modwen Properties	GBP	128,131	461	1.16
			1,621	4.08
Real Estate total			**5,123**	**12.90**
Equities total			**38,967**	**98.08**
Liquidity Funds 0.00% (1.94%)				
Investment assets			38,967	98.08
Net other assets			763	1.92
Net assets			**39,730**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
Security traded on another regulated market.
^ Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(609)		5,962
Revenue	3	834		843	
Expenses	4	(457)		(467)	
Net revenue before taxation		377		376	
Taxation	5	–		–	
Net revenue after taxation			377		376
Total return before distributions			**(232)**		**6,338**
Distributions	6		(377)		(377)
Change in net assets attributable to shareholders from investment activities			**(609)**		**5,961**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**41,256**		**67,868**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	1,745		1,024	
Amounts payable on cancellation of shares	(2,977)		(34,117)	
		(1,232)		(33,093)
Dilution adjustment		–		270
Change in net assets attributable to shareholders from investment activities (see above)		(609)		5,961
Retained distribution on accumulation shares		315		250
Closing net assets attributable to shareholders		**39,730**		**41,256**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	38,967	40,256
Current assets:			
Debtors	8	82	132
Cash and bank balances	9	1,861	1,026
Total assets		**40,910**	**41,414**
Liabilities:			
Creditors:			
Distribution payable		(30)	(29)
Other creditors	10	(1,150)	(129)
Total liabilities		**(1,180)**	**(158)**
Net assets attributable to shareholders		**39,730**	**41,256**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency losses	(4)	–
Expenses relating to the purchase and sale of investments	(2)	(5)
Non-derivative securities (losses)/gains	(603)	5,967
Net capital (losses)/gains	**(609)**	**5,962**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Interest on debt securities	5	2
Overseas dividends	23	37
Property income distributions	78	76
Scrip dividends	–	17
UK dividends	728	711
Total revenue	**834**	**843**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	420	410
Registration fees	24	37
	444	447
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	4	6
Safe custody fee	1	1
	5	7
Other expenses:		
Audit fee**	7	10
Statement fee	1	3
	8	13
Total expenses	**457**	**467**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.
** The audit fee was £8,726 (2017: £8,326) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**377**	**376**
Corporation tax at 20%	75	75
Effects of:		
UK dividends not subject to corporation tax	(145)	(142)
Overseas dividends not subject to corporation tax	(5)	(8)
Irrecoverable overseas withholding tax	–	(3)
Movement in excess management expenses	75	78
	(75)	(75)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £19,255,929 (2017: £18,881,735) creating a potential deferred tax asset of £3,851,186 (2017: £3,776,347). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	137	159
Final distribution	235	158
	372	317
Add: Revenue deducted on cancellation of shares	9	62
Deduct: Revenue received on issue of shares	(4)	(2)
Total distributions	**377**	**377**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	377	377
Equalisation on conversions	–	(1)
Net revenue after taxation	**377**	**376**

Details of the distributions per share are set out in the distribution tables on page 104.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	38,368	39,456
Level 2: Observable market data	–	800
Level 3: Unobservable data	599	–
Total value	**38,967**	**40,256**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	62	62
Amounts receivable on issue of shares	20	9
Sales awaiting settlement	–	61
Total debtors	**82**	**132**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	1,861	1,026
Total cash and bank balances	**1,861**	**1,026**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	49	70
Amounts payable for cancellation of shares	63	59
Purchases awaiting settlement	1,038	–
Total other creditors	**1,150**	**129**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £48,603 (2017: £49,054). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £107,247 (2017: £79,916). The amount outstanding at the year end was £62,549 (2017: £35,142). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

The total purchases and sales on these investments during the 15 October 2018 amounted to £8,400,000 (2017: £9,800,000) and £9,200,000 (2017: £12,300,000) respectively. The income received during the 15 October 2018 amounted to £4,901 (2017: £1,887).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Accumulation shares)	3,982	(5,459)	9,441
ACD and related parties (Class 2 Accumulation shares)	1,093,326	872,933	220,393
ACD and related parties (Class 3 Income shares)	335,268	(243,678)	578,946

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.04%
Class 2: 0.89%
Class 3: 0.34%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 92. The distributions per share are given in the distribution tables on page 104. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Accumulation shares	6,382,531	64,869	(372,287)	(60,994)	6,014,119
Class 2 Accumulation shares	2,186,452	218,073	(137,289)	38,369	2,305,605
Class 3 Income shares	578,946	11,313	(89,722)	–	500,537

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 2.15% (2017: none) of the net assets of the Fund were denominated in currencies other than sterling. As such, the currency risk is not considered significant.

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 4.68% (2017: 4.43%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 98.08% (2017: 97.58%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.81% (2017: 9.76%).

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding corporate actions)						
Equities	(11,534)	(7)	(70)	(11,611)	0.06%	0.60%
Funds	(8,400)	–	–	(8,400)	0.00%	0.00%
	(19,934)	(7)	(70)	(20,011)		
Sales						
Equities	11,491	(7)	–	11,484	0.06%	0.00%
Funds	9,200	–	–	9,200	0.00%	0.00%
	20,691	(7)	–	20,684		
Total		(14)	(70)			
Percentage of Fund average net assets		0.03%	0.17%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs (continued)

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding corporate actions)						
Equities	(6,636)	(5)	(19)	(6,660)	0.08%	0.29%
Funds	(9,800)	–	–	(9,800)	0.00%	0.00%
Purchases (corporate action activity only)						
Equities	(175)	–	–	(175)	0.00%	0.00%
	(16,611)	(5)	(19)	(16,635)		
Sales						
Equities	36,919	(16)	–	36,903	0.04%	0.00%
Funds	12,300	–	–	12,300	0.00%	0.00%
	49,219	(16)	–	49,203		
Total		(21)	(19)			
Percentage of Fund average net assets		0.05%	0.04%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 1.40% (2017: 1.21%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Income shares	Group 1	6.0221	–	6.0221	4.9032
	Group 2	3.3846	2.6375	6.0221	4.9032

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	1.9279	–	1.9279	0.9988
	Group 2	0.8979	1.0300	1.9279	0.9988
Class 2 Accumulation shares	Group 1	3.8673	–	3.8673	3.0221
	Group 2	1.6302	2.2371	3.8673	3.0221

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

Interim distribution paid in pence per share for the six months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Income shares	Group 1	4.7401	–	4.7401	4.2288
	Group 2	3.1741	1.5660	4.7401	4.2288

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	0.7879	–	0.7879	0.8361
	Group 2	0.4688	0.3191	0.7879	0.8361
Class 2 Accumulation shares	Group 1	2.7873	–	2.7873	2.5871
	Group 2	1.5423	1.2450	2.7873	2.5871

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS CASH FUND

The Fund closed for new business on 30 November 2018, and will be terminated in due course.

INVESTMENT OBJECTIVE

To achieve an 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.

FUND MANAGER'S REPORT

On 4 June 2018, share class 2 Acc of this Fund was renamed as share class 1 Acc and share class 2 Inc of this Fund was renamed as share class 1 Inc.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of 0.35 per cent (share class 2) net of fees. The Fund's peer group, the Investment Association's (IA) Money Market sector, posted a net return of 0.36 per cent.

Review
The period witnessed two hikes in UK interest rates. In November 2017, the Bank of England (BoE) tightened policy for the first time since July 2007 by reversing the quarter-point cut it made in the aftermath of the Brexit vote in 2016. This took the base rate back to 0.5%. In August 2018, the BoE announced a further quarter-point rise as it sought to temper the inflationary impact of rising wage pressures in an economy where spare capacity, thanks to the unemployment rate falling to a level last seen in the mid 1970s, was becoming increasingly tight. Despite the overhanging uncertainty created by the fraught Brexit negotiations, the UK economy recovered following its winter dip, with retail sales benefiting from hot summer weather. However, as the period drew to a close, the UK government appeared to be reaching an impasse with the European Union (EU) on its departure terms, which raised the spectre of economic turmoil resulting from a 'no deal'.

We manage the Fund by taking a view on portfolio 'duration', which, in broad terms, is an expression of the risk we deem appropriate given the outlook for the economy and monetary policy. Long duration equates to a more bullish view, while short duration equates to a cautious view. During the review period, we shortened duration as yields began to rise, meaning the Fund would be well positioned to take advantage of the increase in the base rate. As an additional strategy, we maintained the allocation to floating-rate certificates of deposit to protect the Fund from rising yields. After the base rate increased, we lengthened duration to take advantage of the higher rates as we do not anticipate the base rate to change again until at least the third quarter of 2019.

Outlook
UK money-market rates will be sensitive to the nature of the Brexit deal (if any) that is negotiated with the EU. Were there to be no deal, the BoE would be obliged to keep monetary policy loose and cut interest rates. In this scenario, we would favour staying long duration in the Fund. However, if a favourable exit deal is negotiated, the BoE will likely push ahead with further interest-rate hikes. This would lead us to adopt a more cautious short-duration position.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 106 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Natixis 0.91% 01/02/2019	BNP Paribas 0.23% 23/10/2017
Credit Agricole Corporate & Investment Bank 0.80% 03/12/2018	Banque Federative Du Credit 0.31% 01/12/2017
Sumitomo Mitsui Banking 0.83% 30/11/2018	BNP Paribas 0.28% 23/11/2017
KBC Bank 0.66% 03/10/2018	DZ Bank 0.49% 13/03/2018
Credit Agricole Corporate and Investment Bank 0.62% 03/09/2018	Credit Agricole Corporate and Investment Bank 0.53% 02/05/2018
KBC Bank 0.75% 03/07/2018	Citibank 0.61% 01/06/2018
Citibank 0.61% 01/06/2018	KBC Bank 0.75% 03/07/2018
Credit Agricole Corporate and Investment Bank 0.53% 02/05/2018	Credit Agricole Corporate and Investment Bank 0.62% 03/09/2018
DZ Bank 0.49% 13/03/2018	KBC Bank 0.66% 03/10/2018

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.
- During the year ended 15 October 2018, the indicator changed from category 2 to category 1.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	78.58	78.58	78.58
Return before operating charges†	0.41	0.29	0.45
Operating charges	(0.14)	(0.15)	(0.15)
Return after operating charges†	0.27	0.14	0.30
Distributions	(0.30)	(0.14)	(0.30)
Closing net asset value per share	78.55	78.58	78.58
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	0.34%	0.18%	0.38%
Other information			
Closing net asset value (£000)	1,770	5,706	773
Closing number of shares	2,253,790	7,261,056	983,993
Operating charges (%)‡	0.19%	0.20%	0.19%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	78.67	78.63	78.65
Lowest share price	78.57	78.58	78.58

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	79.12	78.99	78.75
Return before operating charges†	0.43	0.29	0.39
Operating charges	(0.15)	(0.15)	(0.15)
Return after operating charges†	0.28	0.14	0.24
Distributions	(0.30)	(0.14)	(0.30)
Retained distributions on accumulation shares	0.30	0.13	0.24
Closing net asset value per share	79.40	79.12	78.99
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	0.35%	0.18%	0.30%
Other information			
Closing net asset value (£000)	24,834	18,396	11,509
Closing number of shares	31,278,203	23,250,923	14,570,023
Operating charges (%)‡	0.19%	0.20%	0.19%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	79.40	79.12	78.99
Lowest share price	79.12	78.99	78.75

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	107.88	107.68	107.33
Return before operating charges†	0.58	0.40	0.54
Operating charges	(0.19)	(0.19)	(0.19)
Return after operating charges†	0.39	0.21	0.35
Distributions	(0.43)	(0.21)	(0.43)
Retained distributions on accumulation shares	0.43	0.20	0.35
Closing net asset value per share	108.27	107.88	107.68
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	0.36%	0.20%	0.33%
Other information			
Closing net asset value (£000)	65,599	64,139	65,354
Closing number of shares	60,587,178	59,456,425	60,692,803
Operating charges (%)‡	0.17%	0.18%	0.17%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	108.28	107.88	107.68
Lowest share price	107.87	107.68	107.34

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.19%	0.20%
Class 3	0.17%	0.18%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to theaverage net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Certificates of Deposit 88.68% (87.82%)				
Australia 6.49% (2.84%)				
Commonwealth Bank of Australia 0.59% 15/03/2019	GBP	2,000,000	2,000	2.17
National Australia Bank 0.51% 16/01/2019	GBP	2,000,000	2,000	2.17
National Australia Bank 0.00% 19/07/2019	GBP	2,000,000	1,985	2.15
			5,985	6.49
Belgium 0.00% (3.40%)				
Canada 4.34% (5.67%)				
Bank of Nova Scotia/London 0.59% 03/12/2018	GBP	2,000,000	2,000	2.17
Toronto-Dominion Bank 0.54% 07/02/2019	GBP	2,000,000	2,000	2.17
			4,000	4.34
China 6.83% (7.91%)				
Bank of China 0.00% 31/10/2018	GBP	2,310,000	2,309	2.50
Bank of China 0.00% 02/11/2018	GBP	2,000,000	1,999	2.17
Bank of China 0.00% 25/02/2019	GBP	2,000,000	1,993	2.16
			6,301	6.83
Denmark 0.00% (2.27%)				
France 13.00% (13.03%)				
Banque Federative du Credit Mutuel 0.00% 28/01/2019	GBP	2,000,000	1,995	2.16
Credit Agricole Corporate & Investment Bank 0.80% 03/12/2018	GBP	4,000,000	4,000	4.34
Natixis 0.91% 01/02/2019	GBP	4,000,000	3,989	4.33
Societe Generale 0.82% 31/10/2018	GBP	2,000,000	2,000	2.17
			11,984	13.00
Germany 3.25% (0.00%)				
DZ Bank 0.81% 04/03/2019	GBP	3,000,000	2,999	3.25
			2,999	3.25
Japan 15.18% (11.33%)				
Mizuho Bank 0.77% 16/10/2018	GBP	2,000,000	2,000	2.17
Mizuho Bank 0.00% 08/11/2018	GBP	2,000,000	1,999	2.17
MUFG Bank 0.79% 03/12/2018	GBP	3,000,000	3,000	3.25
MUFG Bank 0.82% 11/01/2019	GBP	1,000,000	1,000	1.08
Norinchukin Bank 0.00% 28/11/2018	GBP	2,000,000	1,998	2.17
Sumitomo Mitsui Banking 0.83% 30/11/2018	GBP	4,000,000	4,000	4.34
			13,997	15.18
Netherlands 10.84% (6.80%)				
ABN AMRO Bank 0.82% 08/01/2019	GBP	3,000,000	3,000	3.25
Cooperatieve Rabobank 0.85% 14/03/2019	GBP	3,000,000	2,999	3.25
ING Bank 0.71% 05/11/2018	GBP	3,000,000	3,000	3.25
ING Bank 0.80% 05/12/2018	GBP	1,000,000	1,000	1.09
			9,999	10.84
Norway 3.25% (0.00%)				
DNB Bank 0.96% 04/10/2019	GBP	3,000,000	3,000	3.25
			3,000	3.25
Singapore 6.51% (3.40%)				
Oversea-Chinese Banking 0.70% 05/11/2018	GBP	3,000,000	3,000	3.26
United Overseas Bank 0.84% 12/03/2019	GBP	3,000,000	3,000	3.25
			6,000	6.51
Sweden 6.51% (5.67%)				
Svenska Handelsbanken 0.77% 31/10/2018	GBP	3,000,000	3,000	3.25
Svenska Handelsbanken 0.85% 07/02/2019	GBP	1,000,000	1,000	1.09
Swedbank 0.00% 09/11/2018	GBP	2,000,000	1,999	2.17
			5,999	6.51

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Switzerland 0.00% (4.53%)				
United Arab Emirates 4.34% (4.53%)				
First Abu Dhabi Bank 0.80% 03/12/2018	GBP	3,000,000	3,001	3.26
First Abu Dhabi Bank 1.00% 28/02/2019	GBP	1,000,000	1,000	1.08
			4,001	4.34
United Kingdom 8.14% (16.44%)				
Nationwide Building Society 0.70% 05/11/2018	GBP	1,000,000	1,000	1.09
Nationwide Building Society 0.78% 03/12/2018	GBP	3,000,000	3,001	3.26
Santander 0.81% 04/02/2019	GBP	2,500,000	2,500	2.71
Standard Chartered Bank 0.80% 21/11/2018	GBP	1,000,000	1,000	1.08
			7,501	8.14
Certificates of Deposit total			**81,766**	**88.68**
Commercial Paper 0.00% (4.53%)				
France 0.00% (4.53%)				
Liquidity Funds 5.10% (6.12%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	4,700,000	4,700	5.10
Liquidity Funds total			**4,700**	**5.10**
Investment assets			86,466	93.78
Net other assets			5,737	6.22
Net assets			**92,203**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures shown in brackets are as at 15 October 2017.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital losses	2		(27)		(3)
Revenue	3	523		312	
Expenses	4	(159)		(149)	
Net revenue before taxation		364		163	
Taxation	5	–		–	
Net revenue after taxation			364		163
Total return before distributions			**337**		**160**
Distributions	6		(364)		(163)
Change in net assets attributable to shareholders from investment activities			**(27)**		**(3)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**88,241**		**77,636**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	30,157		30,586	
Amounts payable on cancellation of shares	(26,515)		(20,126)	
		3,642		10,460
Change in net assets attributable to shareholders from investment activities (see above)		(27)		(3)
Retained distribution on accumulation shares		347		148
Closing net assets attributable to shareholders		**92,203**		**88,241**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	86,466	86,892
Current assets:			
Debtors	8	95	853
Cash and bank balances	9	5,671	566
Total assets		**92,232**	**88,311**
Liabilities:			
Creditors:			
Distribution payable		(2)	(2)
Other creditors	10	(27)	(68)
Total liabilities		**(29)**	**(70)**
Net assets attributable to shareholders		**92,203**	**88,241**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital losses on investments during the year comprise:		
Expenses relating to the purchase and sale of investments	(1)	(3)
Non-derivative securities losses	(26)	–
Net capital losses	**(27)**	**(3)**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	24	4
Interest on debt securities	499	308
Total revenue	**523**	**312**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	140	114
	140	114
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	8	12
Interest payable	–	5
Safe custody fee	2	4
	10	21
Other expenses:		
Audit fee**	8	11
Statement fees	1	3
	9	14
Total expenses	**159**	**149**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,821 (2017: £9,370) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**364**	**163**
Corporation tax at 20%	73	33
Effects of:		
Movement in excess management expenses	–	1
Tax deductible on interest distributions	(73)	(34)
	(73)	(33)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £nil (2017: £4,000) creating a potential deferred tax asset of £nil (2017: £1,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	52	46
Gross interest distribution for the three months ended 15 April	76	46
Gross interest distribution for the three months ended 15 July	120	41
Gross interest distribution for the three months ended 15 October	116	32
	364	165
Add: Revenue deducted on cancellation of shares	12	5
Deduct: Revenue received on issue of shares	(12)	(7)
Total distributions	**364**	**163**

Details of the distributions per share are set out in the distribution tables on pages 116 and 117.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 2: Observable market data	86,466	86,892
Total value	**86,466**	**86,892**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	60	44
Amounts receivable on issue of shares	35	809
Total debtors	**95**	**853**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	5,671	566
Total cash and bank balances	**5,671**	**566**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	17	34
Amounts payable for cancellation of shares	10	34
Total other creditors	**27**	**68**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/ Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £16,754 (2017: £13,748). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £231,348 (2017: £134,390). The amount outstanding at the year end was £84,720 (2017: £27,383). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £76,600,000 (2017: £66,300,000) and £77,300,000 (2017: £67,400,000) respectively. The income received during the year amounted to £25,541 (2017: £13,180).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	155,064	(509,245)	664,309
ACD and related parties (Class 1 Accumulation shares)	16,340,482	5,254,462	11,086,020
ACD and related parties (Class 3 Accumulation shares)	50,002,771	(9,453,654)	59,456,425

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has two share classes: Class 1 (Institutional) and Class 3 (Associated undertakings of Aviva Plc).
The Fund Management Fee are as follows:

Class 1: 0.19%
Class 3: 0.17%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 106. The distributions per share are given in the distribution tables on pages 116 and 117. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	7,261,056	8,074,783	(13,082,049)	–	2,253,790
Class 1 Accumulation shares	23,250,923	26,112,622	(18,085,342)	–	31,278,203
Class 3 Accumulation shares	59,456,425	2,900,229	(1,769,476)	–	60,587,178

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, none (2017: none) of the net assets of the Fund were denominated in currencies other than sterling. and as such, the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	10,371	81,766	95	92,232
Financial Liabilities				
Sterling	–	–	(29)	(29)
Total	**10,371**	**81,766**	**66**	**92,203**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	5,966	81,492	853	88,311
Financial Liabilities				
Sterling	–	–	(70)	(70)
Total	**5,966**	**81,492**	**783**	**88,241**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £135,359 (2017: £115,345). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £135,358 (2017: £115,345). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 93.78% (2017: 98.47%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.38% (2017:9.85%).

16 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £353,569,708 (2017: £336,154,671) and the total sales amounted to £354,018,487 (2017: £326,300,052).

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was nil% (2017: nil%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	0.0958	–	0.0958	0.0259
	Group 2	0.0389	0.0569	0.0958	0.0259

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	0.0968	–	0.0968	0.0261
	Group 2	0.0516	0.0452	0.0968	0.0261
Class 3 Accumulation shares	Group 1	0.1375	–	0.1375	0.0409
	Group 2	0.1128	0.0247	0.1375	0.0409

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the three months ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Income shares	Group 1	0.0995	–	0.0995	0.0346
	Group 2	0.0786	0.0209	0.0995	0.0346

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Accumulation shares	Group 1	0.1003	–	0.1003	0.0347
	Group 2	0.0532	0.0471	0.1003	0.0347
Class 3 Accumulation shares	Group 1	0.1422	–	0.1422	0.0528
	Group 2	0.1012	0.0410	0.1422	0.0528

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	0.0582	–	0.0582	0.0397
	Group 2	0.0384	0.0198	0.0582	0.0397

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	0.0587	–	0.0587	0.0399
	Group 2	0.0248	0.0339	0.0587	0.0399
Class 3 Accumulation shares	Group 1	0.0850	–	0.0850	0.0594
	Group 2	0.0850	0.0000	0.0850	0.0594

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the three months ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Income shares	Group 1	0.0428	–	0.0428	0.0323
	Group 2	0.0306	0.0122	0.0428	0.0323

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Accumulation shares	Group 1	0.0429	–	0.0429	0.0318
	Group 2	0.0265	0.0164	0.0429	0.0318
Class 3 Accumulation shares	Group 1	0.0640	–	0.0640	0.0477
	Group 2	0.0255	0.0385	0.0640	0.0477

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Up to 5 April 2017, the distributions payable were calculated after the deduction of basic rate income tax. From 6 April 2017, distributions payable are calculated without deducting this tax. The tax treatment of distributions will depend on an investor's individual circumstances.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

On 4 June 2018, share class A of this Fund was closed and merged into share class 1.

Performance

Over the twelve months ended 15 October 2018, the Fund delivered a total return of -0.56 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Corporate Bond sector, generated a net return of -0.36 per cent.

Review

Performance versus the sector was hurt by the Fund having a higher sensitivity to changes in interest rates than many of its peers and a lower exposure to high-yield bonds, which performed well. With higher-quality bonds underperforming, exposure to sovereign and supra-national issues also detracted. At the sector level, exposure to insurance credits was disappointing, with AXA suffering weakness as its finances were stretched by its $15 billion takeover of XL. The Fund profited, however, from good performance by a number of new deals. These included RBS, which issued its first sterling bond since the financial crisis, US financial Goldman Sachs and logistics facilities provider Tritax Big Box. The Fund also benefited from having relatively low exposure to longer-dated credits, which suffered in an environment of rising yields. In terms of individual credits, the Fund was helped by its lack of exposure to GE, which has suffered a series of credit rating downgrades. Supermarket Tesco contributed well after it bought back bonds from the market at a premium. However, this was offset by weak performance by roadside assistance company AA, whose profitability was dented by a spike in callouts.

During the period, the Fund was broadly diversified across sectors and the market capitalisation spectrum. The overall positioning was cautious given the Brexit-related uncertainty hanging over the UK economy and the vulnerability of the underlying government bond market to rising inflation and earlier-than-expected hikes in interest rates. As the market rallied early in the period, we increased the cautious stance by selling certain positions as bond valuations had become more expensive. In sector terms, the Fund was overweight in telecoms, a sector which we felt was ripe for consolidation, as well as financials and corporate hybrids. We were underweight consumer cyclical goods, health care, oil & gas and utilities.

Outlook

With little intrinsic value on offer, the market's potential to offer excess returns over government bonds is modest. Absolute performance is under pressure from rising government bond yields as interest rates continue to be raised in the US and as global inflationary pressures build on the back of more expensive oil and tighter labour markets. The ongoing health of companies' balance sheets and the prospect of tighter supply should nevertheless provide a backstop to the market. The global economy is on a reasonably firm footing and the US is firing on all cylinders. Even the UK, which is blighted by Brexit uncertainty, continues to show surprising resilience. On balance, however, we remain cautious.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 119 and 120 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
UK Treasury 4.25% 07/03/2036	European Investment Bank 1.50% 01/02/2019
UK Treasury 4.00% 07/03/2022	UK Treasury 4.25% 07/03/2036
European Investment Bank 5.38% 07/06/2021	UK Treasury 4.75% 07/03/2020
BNG Bank 1.00% 17/06/2022	American International Group 6.77% 15/11/2017
UK Treasury 4.50% 07/12/2042	UK Treasury 4.75% 07/12/2038
Royal Bank of Scotland Group, FRN 2.87% 19/09/2026	UK Treasury 4.25% 07/06/2032
HSBC Holdings, FRN 5.88% Perpetual	European Investment Bank 4.63% 12/10/2054
Enel Finance International 5.63% 14/08/2024	ING Bank, FRN 6.88% 29/05/2023
UK Treasury 4.75% 07/12/2038	RCI Banque 3.25% 25/04/2018

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	60.65	61.07	57.86
Return before operating charges†	0.17	1.82	5.54
Operating charges	(0.48)	(0.49)	(0.48)
Return after operating charges†	(0.31)	1.33	5.06
Distributions	(1.53)	(1.75)	(1.85)
Closing net asset value per share	58.81	60.65	61.07
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.51)%	2.18%	8.75%
Other information			
Closing net asset value (£000)	90,032	46,433	50,642
Closing number of shares	153,092,711	76,553,930	82,930,218
Operating charges (%)‡	0.79%	0.80%	0.80%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	61.95	62.77	64.29
Lowest share price	59.05	59.74	56.95

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	120.39	121.21	114.84
Return before operating charges†	0.32	3.63	10.99
Operating charges	(0.39)	(0.39)	(0.38)
Return after operating charges†	(0.07)	3.24	10.61
Distributions	(3.60)	(4.06)	(4.24)
Closing net asset value per share	116.72	120.39	121.21
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.06)%	2.67%	9.24%
Other information			
Closing net asset value (£000)	1,979,627	1,984,229	2,421,216
Closing number of shares	1,695,992,063	1,648,187,073	1,997,561,329
Operating charges (%)‡	0.32%	0.32%	0.32%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	123.09	124.70	127.64
Lowest share price	117.33	118.66	113.08

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	91.36	91.98	87.15
Return before operating charges†	0.25	2.75	8.33
Operating charges	(0.57)	(0.57)	(0.55)
Return after operating charges†	(0.32)	2.18	7.78
Distributions	(2.46)	(2.80)	(2.95)
Closing net asset value per share	88.58	91.36	91.98
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.35)%	2.37%	8.93%
Other information			
Closing net asset value (£000)	60,186	52,842	56,689
Closing number of shares	67,946,604	57,840,411	61,631,146
Operating charges (%)‡	0.62%	0.62%	0.62%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	93.34	94.58	96.84
Lowest share price	88.97	90.01	85.79

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	175.84	171.51	157.93
Return before operating charges†	0.43	5.17	15.29
Operating charges	(0.57)	(0.56)	(0.53)
Return after operating charges†	(0.14)	4.61	14.76
Distributions	(5.32)	(5.81)	(5.89)
Retained distributions on accumulation shares	5.32	5.53	4.71
Closing net asset value per share	175.70	175.84	171.51
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.08)%	2.69%	9.35%
Other information			
Closing net asset value (£000)	24,183	24,936	28,595
Closing number of shares	13,763,690	14,180,987	16,672,692
Operating charges (%)‡	0.32%	0.32%	0.32%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	179.77	180.26	179.46
Lowest share price	174.89	167.90	156.51

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Income shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	56.80	57.18	54.18
Return before operating charges†	(55.79)	1.72	5.17
Operating charges	(0.40)	(0.64)	(0.62)
Return after operating charges†	(56.19)	1.08	4.55
Distributions	(0.61)	(1.46)	(1.55)
Closing net asset value per share	–	56.80	57.18
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	–	1.89%	8.40%
Other information			
Closing net asset value (£000)	–	53,598	58,540
Closing number of shares	–	94,365,559	102,371,753
Operating charges (%)‡	1.12%	1.12%	1.12%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	57.98	58.75	60.19
Lowest share price	55.95	55.92	53.32

§ The share class was closed on 1 June 2018.

‡ The operating charges are calculated on an ex–post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single–priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual–priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.77%	0.80%
Class 2	0.62%	0.62%
Class 3	0.32%	0.32%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 0.80%. Please see the Prospectus for full details.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Government Bonds 10.74% (8.44%)				
United Kingdom 10.74% (8.44%)				
UK Treasury 4.00% 07/03/2022	GBP	70,000,000	77,106	3.58
UK Treasury 4.25% 07/03/2036	GBP	35,000,000	47,023	2.18
UK Treasury 4.75% 07/12/2038	GBP	31,000,000	45,366	2.11
UK Treasury 4.50% 07/12/2042	GBP	37,300,000	54,996	2.55
UK Treasury 3.50% 22/01/2045	GBP	5,300,000	6,865	0.32
			231,356	10.74
Government Bonds total			**231,356**	**10.74**
Corporate Bonds 80.47% (81.60%)				
Australia 0.00% (0.98%)				
Belgium 0.64% (0.68%)				
Anheuser-Busch InBev 2.85% 25/05/2037	GBP	15,164,000	13,725	0.64
			13,725	0.64
Cayman Islands 1.56% (3.33%)				
Thames Water Utilities Cayman Finance 2.88% 03/05/2027	GBP	15,000,000	14,261	0.66
Thames Water Utilities Cayman Finance 7.74% 09/04/2058	GBP	8,405,000	14,904	0.69
Trafford Centre Finance, Series A2 6.50% 28/07/2033	GBP	3,414,232	4,467	0.21
			33,632	1.56
France 6.62% (8.26%)				
AXA, FRN 5.63% 16/01/2054	GBP	25,000,000	26,075	1.21
BNP Paribas 1.13% 16/08/2022	GBP	22,000,000	21,333	0.99
Electricite de France 6.13% 02/06/2034	GBP	26,000,000	34,133	1.58
Electricite de France, FRN 6.00% Perpetual	GBP	11,100,000	11,152	0.52
Orange 5.38% 22/11/2050	GBP	15,800,000	20,904	0.97
SNCF Reseau EPIC 5.50% 01/12/2021	GBP	25,825,000	29,047	1.35
			142,644	6.62
Ireland 0.65% (0.00%)				
GE Capital UK Funding 5.88% 18/01/2033	GBP	7,150,000	9,000	0.42
GE Capital UK Funding 8.00% 14/01/2039	GBP	3,100,000	4,861	0.23
Lambay Capital Securities 6.25% Perpetual[§]	GBP	10,000,000	1	–
			13,862	0.65
Italy 0.00% (0.52%)				
Jersey 5.13% (4.30%)				
AA Bond 6.27% 02/07/2043	GBP	32,743,000	35,119	1.63
CPUK Finance 3.59% 28/02/2042	GBP	8,255,000	8,585	0.40
CPUK Finance 7.24% 28/02/2042	GBP	7,590,000	9,219	0.43
Gatwick Funding 2.63% 07/10/2048	GBP	30,000,000	25,137	1.17
Heathrow Funding 7.13% 14/02/2024	GBP	19,910,000	24,184	1.12
J.P. Morgan International Derivatives, Series D2 8.28% 28/10/2022	GBP	7,470,119	8,309	0.38
			110,553	5.13
Mexico 1.66% (2.29%)				
America Movil 4.38% 07/08/2041	GBP	13,000,000	14,574	0.68
America Movil, FRN 6.37% 06/09/2073	GBP	20,000,000	21,170	0.98
			35,744	1.66
Netherlands 5.21% (4.78%)				
ABN AMRO Bank 1.00% 30/06/2020	GBP	18,200,000	18,050	0.84
BNG Bank 1.88% 07/12/2018	GBP	20,575,000	20,602	0.96
BNG Bank 1.00% 17/06/2022	GBP	27,300,000	26,929	1.25
E.ON International Finance 6.38% 07/06/2032	GBP	14,000,000	18,650	0.86
Enel Finance International 5.63% 14/08/2024	GBP	16,600,000	18,976	0.88
JT International Financial Services 2.75% 28/09/2033	GBP	9,156,000	8,987	0.42
			112,194	5.21

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Spain 1.14% (1.33%)				
Telefonica Emisiones 5.45% 08/10/2029	GBP	20,800,000	24,589	1.14
			24,589	1.14
Switzerland 0.49% (0.59%)				
Credit Suisse Group, FRN 2.13% 12/09/2025	GBP	11,000,000	10,486	0.49
			10,486	0.49
United Kingdom 47.68% (42.79%)				
Annington Funding 2.65% 12/07/2025	GBP	11,481,000	11,257	0.52
Annington Funding 3.94% 12/07/2047	GBP	17,755,000	17,590	0.82
Aviva, FRN 5.13% 04/06/2050†	GBP	20,000,000	19,640	0.91
Barclays 3.25% 12/02/2027	GBP	28,529,000	27,631	1.28
Barclays Bank 10.00% 21/05/2021	GBP	29,107,000	34,353	1.60
Barclays Bank UK 4.25% 12/01/2022	GBP	19,100,000	20,757	0.96
BAT International Finance 2.25% 09/09/2052	GBP	9,700,000	6,839	0.32
BL Superstores Finance, Series A2 4.48% 04/10/2030	GBP	3,269,252	3,658	0.17
BL Superstores Finance, Series B2 5.27% 04/10/2030	GBP	3,259,776	3,554	0.17
Broadgate Financing 5.00% 05/10/2033	GBP	17,000,000	20,118	0.93
Cadent Finance 2.13% 22/09/2028	GBP	4,312,000	4,008	0.19
Canary Wharf Finance II, Series II A1 6.46% 22/10/2033	GBP	7,908,819	9,807	0.46
Centrica 4.25% 12/09/2044	GBP	8,677,000	9,490	0.44
Channel Link Enterprises Finance, FRN 3.04% 30/06/2050	GBP	5,188,000	5,052	0.23
Connect Plus M25 Issuer 2.61% 31/03/2039	GBP	10,354,130	10,223	0.47
Daily Mail & General Trust 5.75% 07/12/2018	GBP	5,078,000	5,106	0.24
DS Smith 2.88% 26/07/2029	GBP	20,000,000	18,996	0.88
Eversholt Funding 6.70% 22/02/2035	GBP	6,395,000	8,017	0.37
Experian Finance 4.75% 23/11/2018	GBP	19,150,000	19,217	0.89
Firstgroup 8.75% 08/04/2021	GBP	21,000,000	23,933	1.11
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	4,407,000	5,323	0.25
Grainger 3.38% 24/04/2028	GBP	16,400,000	16,112	0.75
Great Rolling Stock 6.50% 05/04/2031	GBP	13,200,000	16,264	0.76
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	8,889,000	8,279	0.38
HSBC Bank 4.75% 24/03/2046	GBP	8,500,000	9,689	0.45
HSBC Holdings 6.75% 11/09/2028	GBP	19,000,000	23,708	1.10
HSBC Holdings, FRN 5.88% Perpetual	GBP	20,265,000	20,036	0.93
Imperial Brands Finance 9.00% 17/02/2022	GBP	15,455,000	18,830	0.87
Imperial Brands Finance 8.13% 15/03/2024	GBP	25,500,000	32,304	1.50
Intu Metrocentre Finance, REIT 4.13% 06/12/2028	GBP	15,000,000	15,802	0.73
Investec Bank 9.63% 17/02/2022	GBP	8,400,000	9,938	0.46
Investec Bank, FRN 4.25% 24/07/2028	GBP	14,328,000	13,994	0.65
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	21,352,548	25,402	1.18
Legal & General Group, FRN 10.00% 23/07/2041	GBP	23,125,000	27,603	1.28
Lloyds Bank 5.13% 07/03/2025	GBP	14,100,000	16,774	0.78
Lloyds Bank 7.63% 22/04/2025	GBP	19,500,000	24,498	1.14
Lloyds Banking Group 2.25% 16/10/2024	GBP	17,000,000	16,390	0.76
Meadowhall Finance, Series B 4.99% 12/07/2037	GBP	11,594,889	13,820	0.64
Mitchells & Butlers Finance, Series A2 5.57% 15/12/2030	GBP	9,753,980	10,987	0.51
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	18,000,000	20,423	0.95
Network Rail Infrastructure Finance 4.75% 29/11/2035	GBP	20,140,000	27,569	1.28
NGG Finance, FRN 5.63% 18/06/2073	GBP	10,000,000	10,891	0.51
Notting Hill Housing Trust 3.75% 20/12/2032	GBP	26,900,000	28,357	1.32
Prudential, FRN 11.37% 29/05/2039	GBP	23,660,000	25,065	1.16
Prudential, FRN 5.63% 20/10/2051	GBP	13,662,000	13,791	0.64
Prudential, FRN 5.70% 19/12/2063	GBP	5,000,000	5,582	0.26
RAC Bond 4.57% 06/05/2046	GBP	20,820,000	21,172	0.98
RELX Investments 2.75% 01/08/2019	GBP	26,000,000	26,180	1.22
Royal Bank of Scotland Group, FRN 2.87% 19/09/2026	GBP	25,000,000	24,443	1.13
Santander UK 5.13% 14/04/2021	GBP	33,000,000	35,993	1.67
Segro, REIT 2.38% 11/10/2029	GBP	25,000,000	23,695	1.10
Southern Gas Networks 2.50% 03/02/2025	GBP	25,790,000	25,865	1.20
Tesco Property Finance 6 5.41% 13/07/2044	GBP	21,607,122	24,563	1.14
Tritax Big Box REIT 2.63% 14/12/2026	GBP	22,000,000	21,500	1.00

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 47.68% (42.79%) (continued)				
UNITE USAF II 3.92% 30/06/2030	GBP	15,700,000	17,122	0.80
Wellcome Trust 2.52% 07/02/2118	GBP	9,176,000	7,755	0.36
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	20,000,000	25,411	1.18
White City Property Finance 5.12% 17/04/2035	GBP	10,004,386	12,164	0.56
Yorkshire Water Finance 6.45% 28/05/2027	GBP	19,014,000	24,538	1.14
			1,027,078	47.68
United States of America 9.69% (11.75%)				
AT&T 4.38% 14/09/2029	GBP	14,500,000	15,626	0.73
AT&T 4.25% 01/06/2043	GBP	23,459,000	23,902	1.11
Bank of America 2.30% 25/07/2025	GBP	21,000,000	20,618	0.96
Bank of America 7.00% 31/07/2028	GBP	10,450,000	14,053	0.65
Citigroup 4.50% 03/03/2031	GBP	18,000,000	19,485	0.90
Goldman Sachs Group 3.13% 25/07/2029	GBP	17,070,000	16,759	0.78
JPMorgan Chase 1.88% 10/02/2020	GBP	20,000,000	20,130	0.93
McDonald's 4.13% 11/06/2054	GBP	11,400,000	12,821	0.60
Time Warner Cable 5.25% 15/07/2042	GBP	5,000,000	5,401	0.25
Verizon Communications 4.07% 18/06/2024	GBP	15,673,000	17,248	0.80
Verizon Communications 3.38% 27/10/2036	GBP	14,500,000	14,089	0.65
Wells Fargo 2.00% 28/07/2025	GBP	30,000,000	28,653	1.33
			208,785	9.69
Corporate Bonds total			**1,733,292**	**80.47**
Supranationals 3.92% (6.01%)				
European Investment Bank 5.38% 07/06/2021	GBP	55,000,000	61,039	2.83
European Investment Bank 5.00% 15/04/2039	GBP	16,000,000	23,355	1.09
			84,394	3.92
Supranationals total			**84,394**	**3.92**
Swaps (0.09)% ((0.37)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	165,000,000	(1,990)	(0.09)
Swaps total			**(1,990)**	**(0.09)**
Forward Currency Contracts 0.00% (0.00%)				
Buy EUR 638,643 sell GBP 578,774 dated 07/12/2018			(16)	–
Forward Currency Contracts total			**(16)**	**–**
Futures 0.03% (0.00%)				
Long Gilt 27/12/2018	GBP	(594)	689	0.03
Futures total			**689**	**0.03**
Liquidity Funds 1.10% (2.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	23,800,000	23,800	1.10
Liquidity Funds total			**23,800**	**1.10**
Investment assets (including investment liabilities)			2,071,525	96.17
Net other assets			82,503	3.83
Net assets			**2,154,028**	**100.00**

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital losses	2		(68,196)		(10,587)
Revenue	3	72,460		87,123	
Expenses	4	(7,789)		(8,469)	
Net revenue before taxation		64,671		78,654	
Taxation	5	–		–	
Net revenue after taxation			64,671		78,654
Total return before distributions			**(3,525)**		**68,067**
Distributions	6		(64,692)		(78,655)
Change in net assets attributable to shareholders from investment activities			**(68,217)**		**(10,588)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**2,162,038**		**2,615,682**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	244,988		332,232	
Amounts payable on cancellation of shares	(185,869)		(779,183)	
		59,119		(446,951)
Dilution adjustment		372		3,061
Change in net assets attributable to shareholders from investment activities (see above)		(68,217)		(10,588)
Retained distribution on accumulation shares		713		832
Unclaimed distribution monies		3		2
Closing net assets attributable to shareholders		**2,154,028**		**2,162,038**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	2,073,531	2,120,040
Current assets:			
Debtors	8	34,298	34,557
Cash and bank balances	9	66,190	53,466
Total assets		**2,174,019**	**2,208,063**
Liabilities:			
Investment liabilities	7	(2,006)	(8,090)
Creditors:			
Distribution payable		(16,124)	(16,771)
Other creditors	10	(1,861)	(21,164)
Total liabilities		**(19,991)**	**(46,025)**
Net assets attributable to shareholders		**2,154,028**	**2,162,038**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains/(losses)	36	(9)
Derivative contracts gains/(losses)	936	(3,144)
Expenses relating to the purchase and sale of investments	(3)	(5)
Forward currency contracts (losses)/gains	(90)	56
Non-derivative securities losses	(69,075)	(7,485)
Net capital losses	**(68,196)**	**(10,587)**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	94	10
Interest on debt securities	72,532	88,386
Income from derivatives	(166)	(1,273)
Total revenue	**72,460**	**87,123**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	7,417	7,919
Registration fees	69	110
	7,486	8,029
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	71	118
Interest payable	58	10
Safe custody fee	121	225
	250	353
Other expenses:		
Audit fee**	8	11
Printing and postage expenses	3	–
Statement fees	47	85
	58	96
Total expenses	**7,794**	**8,478**
Less those expenses rebated by the ACD	(5)	(9)
Net expenses	**7,789**	**8,469**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,821 (2017: £9,370) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**64,671**	**78,654**
Corporation tax at 20%	12,934	15,731
Effects of:		
Tax deductible on interest distributions	(12,934)	(15,731)
	(12,934)	(15,731)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	16,782	21,518
Gross interest distribution for the three months ended 15 April	15,591	19,817
Gross interest distribution for the three months ended 15 July	16,521	20,344
Gross interest distribution for the three months ended 15 October	16,307	16,967
	65,201	78,646
Add: Revenue deducted on cancellation of shares	545	1,219
Deduct: Revenue received on issue of shares	(1,054)	(1,210)
Total distributions	**64,692**	**78,655**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	64,692	78,655
Equalisation on conversions	(22)	–
Undistributed revenue brought forward	(1)	(2)
Undistributed revenue carried forward	2	1
Net revenue after taxation	**64,671**	**78,654**

Details of the distributions per share are set out in the distribution tables on pages 132 and 133.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	689	–	–	–
Level 2: Observable market data	2,072,841	(2,006)	2,120,039	(8,090)
Level 3: Unobservable data	1	–	1	–
Total value	**2,073,531**	**(2,006)**	**2,120,040**	**(8,090)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	31,223	31,799
Accrued expense fee rebate	–	1
Amounts receivable on issue of shares	170	759
Sales awaiting settlement	2,905	1,998
Total debtors	**34,298**	**34,557**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing houses and brokers	336	–
Cash and bank balances	65,854	53,466
Total cash and bank balances	**66,190**	**53,466**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	879	1,072
Amounts payable for cancellation of shares	982	446
Purchases awaiting settlement	–	19,646
Total other creditors	**1,861**	**21,164**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £879,004 (2017: £858,202). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £60,335,833 (2017: £70,697,997). The amount outstanding at the year end was £15,343,547 (2017: £16,073,983). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £667,100,000 (2017: £825,600,000) and £686,000,000 (2017: £904,000,000) respectively. The income received during the year amounted to £1,195,914 (2017: £1,900,734).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	36,907	23,929	12,978
ACD and related parties (Class 2 Income shares)	4,967,096	1,937,443	3,029,653
ACD and related parties (Class 3 Income shares)	1,695,992,063	47,804,990	1,648,187,073
ACD and related parties (Class A Income shares)	–	(28,125,791)	28,125,791
ACD and related parties (Class 3 Accumulation shares)	13,758,679	(422,308)	14,180,987

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.77%
Class 2: 0.62%
Class 3: 0.32%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 119 and 120. The distributions per share are given in the distribution tables on pages 132 and 133. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	76,553,930	2,144,467	(10,242,692)	84,637,006	153,092,711
Class 2 Income shares	57,840,411	12,717,345	(3,093,889)	482,737	67,946,604
Class 3 Income shares	1,648,187,073	190,173,092	(142,368,102)	–	1,695,992,063
Class A Income shares	94,365,559	1,313,555	(4,478,754)	(91,200,360)	–
Class 3 Accumulation shares	14,180,987	2,213,203	(2,630,500)	–	13,763,690

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 0.01% (2017: none) of the net assets of the Fund were denominated in currencies other than sterling. As such, the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	88,296	2,049,041	34,988	2,172,325
Euro	1,694	–	563	2,257
Financial Liabilities				
Sterling	–	–	(18,564)	(18,564)
Euro	–	–	(1,990)	(1,990)
Total	**89,990**	**2,049,041**	**14,997**	**2,154,028**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	291,598	1,881,846	35,376	2,208,820
Euro	–	–	8,527	8,527
Financial Liabilities				
Sterling	–	–	(46,400)	(46,400)
Euro	–	–	(8,909)	(8,909)
Total	**291,598**	**1,881,846**	**(11,406)**	**2,162,038**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £153,979,110 (2017: £165,209,704). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £153,979,110 (2017: £165,209,704). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 96.17% (2017: 97.68%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.62% (2017: 9.77%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Futures contracts £000	Total £000
Goldman Sachs	(16)	–	(16)
JPMorgan	–	689	689
Total	**(16)**	**689**	**673**

15.10.17	Forward currency contracts £000	Futures contracts £000	Total £000
JPMorgan	(2)	–	(2)
Royal Bank of Scotland	62	–	62
Total	**60**	**–**	**60**

The counterparty exposure on forward currency contracts is reported at their mark to market values, but for credit default swaps it is only the positive mark to market values that are reported.

Collateral

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2017: £nil).

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	1,935,550	1,863,684	89.86%	86.21%
Below investment grade securities	113,491	206,629	5.27%	9.55%
Unrated securities	1	6,365	–	0.29%
Total debt securities	**2,049,042**	**2,076,678**	**95.13%**	**96.05%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £1,301,073,193 (2017: £1,578,546,438) and the total sales amounted to £1,262,971,885 (2017: £2,002,532,417).

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.53% (2017: 0.53%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	0.3798	–	0.3798	0.4070
	Group 2	0.1620	0.2178	0.3798	0.4070
Class 2 Income shares	Group 1	0.6071	–	0.6071	0.6559
	Group 2	0.2789	0.3282	0.6071	0.6559
Class 3 Income shares	Group 1	0.8921	–	0.8921	0.9564
	Group 2	0.4512	0.4409	0.8921	0.9564

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Accumulation shares	Group 1	1.3323	–	1.3323	1.3854
	Group 2	1.3323	0.0000	1.3323	1.3854

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the three months ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Income shares	Group 1	0.3974	–	0.3974	0.5128
	Group 2	0.1339	0.2635	0.3974	0.5128
Class 2 Income shares	Group 1	0.6363	–	0.6363	0.8151
	Group 2	0.2981	0.3382	0.6363	0.8151
Class 3 Income shares	Group 1	0.9281	–	0.9281	1.1678
	Group 2	0.4372	0.4909	0.9281	1.1678

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 3 Accumulation shares	Group 1	1.3757	–	1.3757	1.6757
	Group 2	0.6156	0.7601	1.3757	1.6757

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	0.3614	–	0.3614	0.4047
	Group 2	0.1215	0.2399	0.3614	0.4047
Class 2 Income shares	Group 1	0.5845	–	0.5845	0.6508
	Group 2	0.2923	0.2922	0.5845	0.6508
Class 3 Income shares	Group 1	0.8575	–	0.8575	0.9476
	Group 2	0.3798	0.4777	0.8575	0.9476
Class A Income shares	Group 1	0.2948	–	0.2948	0.3338
	Group 2	0.1276	0.1672	0.2948	0.3338

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Accumulation shares	Group 1	1.2617	–	1.2617	1.3496
	Group 2	1.0364	0.2253	1.2617	1.3496

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the three months ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Income shares	Group 1	0.3896	–	0.3896	0.3406
	Group 2	0.1301	0.2595	0.3896	0.3406
Class 2 Income shares	Group 1	0.6308	–	0.6308	0.5461
	Group 2	0.3613	0.2695	0.6308	0.5461
Class 3 Income shares	Group 1	0.9255	–	0.9255	0.7917
	Group 2	0.3875	0.5380	0.9255	0.7917
Class A Income shares	Group 1	0.3177	–	0.3177	0.2830
	Group 2	0.1543	0.1634	0.3177	0.2830

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 3 Accumulation shares	Group 1	1.3514	–	1.3514	1.1198
	Group 2	0.0841	1.2673	1.3514	1.1198

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Up to 5 April 2017, the distributions payable were calculated after the deduction of basic rate income tax. From 6 April 2017, distributions payable are calculated without deducting this tax. The tax treatment of distributions will depend on an investor's individual circumstances.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

On 4 June 2018, share class A of this Fund was closed and merged into share class 1.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -2.53 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Mixed Investment 20-60% Shares sector, generated a net return of -1.88 per cent.

Review
The Fund posted a negative return over the review period as the prices of both corporate bonds and UK equities fell. In the bond portion, the holdings in sovereign and supra-national issues detracted as they underperformed corporate bonds. At the sector level, exposure to insurance credits was also disappointing, with AXA suffering weakness as its finances were stretched by its $15 billion takeover of XL. The Fund profited, however, from good performance by a number of new deals. These included RBS, which issued its first sterling bond since the financial crisis, US financial Goldman Sachs and logistics facilities provider Tritax Big Box. In the equity portion, an underweight position in the oil & gas sector, along with exposure to industrials, were the main factors that detracted from performance. However, several of our favoured stocks in the financials and consumer sectors contributed to performance. Amongst financials, holdings in Hiscox and Intermediate Capital contributed well. Amongst consumer stocks, interim results from Cineworld were encouraging as the ongoing integration of US-based Regal Entertainment, acquired in February, proceeded satisfactorily.

During the period, the corporate bond portion of the Fund was broadly diversified across sectors and the market capitalisation spectrum. The overall positioning was cautious given the Brexit-related uncertainty hanging over the UK economy and the vulnerability of the underlying government bond market to rising inflation and further hikes in interest rates. In sector terms, the Fund was overweight in telecoms, a sector which we felt was ripe for consolidation, as well as financials and corporate hybrids. We were underweight consumer cyclical goods, health care, oil & gas and utilities. In the equity portion, we held overweights in financials (mainly through insurance and investment management companies), industrials and telecoms. We were underweight oil & gas, consumer-facing companies and health care.

Outlook
With little intrinsic value on offer, the corporate bond market's potential to offer excess returns over government bonds is modest. Absolute performance is under pressure from rising government bond yields as interest rates continue to be raised in the US and as global inflationary pressures build on the back of more expensive oil and tighter labour markets. For UK equites, while ongoing Brexit negotiations and the Bank of England's policy moves are likely to continue to dominate headlines, the market should find support from the ongoing strength of the global economy. That said, increasing risks to that scenario, such as trade wars and political stress in the Eurozone, have underscored the importance of investing in high-quality companies capable of delivering strong earnings growth independent of the macro-economic backdrop.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 135 and 136 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
UK Treasury 4.50% 07/12/2042	UK Treasury 4.50% 07/12/2042
UK Treasury 4.00% 07/03/2022	UK Treasury 4.25% 07/06/2032
Bank of Scotland Capital Funding, FRN 7.75% Perpetual	Aviva
UK Treasury 4.25% 07/06/2032	UK Treasury 3.50% 22/01/2045
HSBC Holdings	UK Treasury 4.00% 07/03/2022
UK Treasury 3.50% 22/01/2045	Wells Fargo 3.50% 12/09/2029
Imperial Brands Finance 8.13% 15/03/2024	JPMorgan Chase 3.50% 18/12/2026
BNG Bank 1.00% 17/06/2022	Rio Tinto
Wells Fargo 2.00% 28/07/2025	Anheuser-Busch InBev 9.75% 30/07/2024
HSBC Bank 4.75% 24/03/2046	Schroders

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	212.54	208.31	195.76
Return before operating charges†	(2.68)	13.58	21.60
Operating charges	(2.55)	(2.91)	(2.77)
Return after operating charges†	(5.23)	10.67	18.83
Distributions	(6.59)	(6.44)	(6.28)
Closing net asset value per share	200.72	212.54	208.31
† after direct transaction costs of	(0.21)	(0.11)	(0.08)
Performance			
Return after charges (%)	(2.46)%	5.12%	9.62%
Other information			
Closing net asset value (£000)	60,849	68,212	70,069
Closing number of shares	30,314,937	32,093,270	33,636,838
Operating charges (%)‡	1.20%	1.38%	1.38%
Direct transaction costs (%)#	0.10%	0.05%	0.04%
Prices≈			
Highest share price	217.98	218.83	216.14
Lowest share price	203.05	202.03	189.86

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	221.51	216.35	202.65
Return before operating charges†	(2.81)	14.18	22.42
Operating charges	(1.62)	(1.60)	(1.52)
Return after operating charges†	(4.43)	12.58	20.90
Distributions	(7.40)	(7.42)	(7.20)
Closing net asset value per share	209.68	221.51	216.35
† after direct transaction costs of	(0.22)	(0.11)	(0.08)
Performance			
Return after charges (%)	(2.00)%	5.81%	10.31%
Other information			
Closing net asset value (£000)	148,109	149,318	127,044
Closing number of shares	70,635,737	67,409,057	58,710,555
Operating charges (%)‡	0.73%	0.73%	0.73%
Direct transaction costs (%)#	0.10%	0.05%	0.04%
Prices≈			
Highest share price	227.49	227.97	224.46
Lowest share price	212.15	210.04	196.83

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	346.17	329.61	302.19
Return before operating charges†	(4.58)	21.62	33.70
Operating charges	(4.20)	(4.66)	(4.32)
Return after operating charges†	(8.78)	16.96	29.38
Distributions	(10.86)	(10.27)	(9.79)
Retained distributions on accumulation shares	10.86	9.87	7.83
Closing net asset value per share	337.39	346.17	329.61
† after direct transaction costs of	(0.35)	(0.17)	(0.13)
Performance			
Return after charges (%)	(2.54)%	5.15%	9.72%
Other information			
Closing net asset value (£000)	11,891	13,985	31,432
Closing number of shares	3,524,294	4,039,866	9,536,054
Operating charges (%)‡	1.20%	1.38%	1.38%
Direct transaction costs (%)#	0.10%	0.05%	0.04%
Prices≈			
Highest share price	355.01	350.68	340.00
Lowest share price	338.12	319.65	294.65

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016◊ p per share
Change in net assets per share			
Opening net asset value per share	231.93	219.41	205.53
Return before operating charges†	(3.12)	14.46	15.41
Operating charges	(1.72)	(1.64)	(0.78)
Return after operating charges†	(4.84)	12.82	14.63
Distributions	(7.84)	(7.61)	(3.76)
Retained distributions on accumulation shares	7.84	7.31	3.01
Closing net asset value per share	227.09	231.93	219.41
† after direct transaction costs of	(0.23)	(0.11)	(0.09)
Performance			
Return after charges (%)	(2.09)%	5.84%	7.12%
Other information			
Closing net asset value (£000)	48,532	32,904	4,320
Closing number of shares	21,371,510	14,187,197	1,969,087
Operating charges (%)‡	0.73%	0.73%	0.73%
Direct transaction costs (%)#	0.10%	0.05%	0.04%
Prices≈			
Highest share price	238.19	234.47	226.10
Lowest share price	227.57	212.98	204.24

COMPARATIVE TABLES (CONTINUED)

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	227.69	222.09	207.72
Return before operating charges†	(2.92)	14.52	23.00
Operating charges	(0.75)	(0.74)	(0.71)
Return after operating charges†	(3.67)	13.78	22.29
Distributions	(8.13)	(8.18)	(7.92)
Closing net asset value per share	215.89	227.69	222.09
† after direct transaction costs of	(0.23)	(0.11)	(0.09)
Performance			
Return after charges (%)	(1.61)%	6.20%	10.73%
Other information			
Closing net asset value (£000)	3,139	3,376	3,505
Closing number of shares	1,454,265	1,482,927	1,578,277
Operating charges (%)‡	0.33%	0.33%	0.33%
Direct transaction costs (%)#	0.10%	0.05%	0.04%
Prices≈			
Highest share price	234.03	234.33	230.36
Lowest share price	218.55	215.67	201.84

Financial year Class 4 Income shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	120.22	117.53	110.17
Return before operating charges†	(117.69)	7.68	12.19
Operating charges	(0.67)	(1.05)	(1.00)
Return after operating charges†	(118.36)	6.63	11.19
Distributions	(1.86)	(3.94)	(3.83)
Closing net asset value per share	–	120.22	117.53
† after direct transaction costs of	–	(0.06)	(0.05)
Performance			
Return after charges (%)	–	5.64%	10.16%
Other information			
Closing net asset value (£000)	–	552	363
Closing number of shares	–	458,717	308,901
Operating charges (%)‡	0.87%	0.88%	0.88%
Direct transaction costs (%)#	–	0.05%	0.04%
Prices≈			
Highest share price	123.42	123.74	121.92
Lowest share price	117.35	114.06	106.95

§ The share class was closed on 1 June 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

◊ Class 2 Accumulation was launched on 25 April 2016.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.88%**	1.38%
Class 2	0.73%	0.73%
Class 3	0.33%	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 Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 33.37% (34.82%)				
Bermuda 0.76% (0.79%)				
Hiscox	GBP	128,448	2,059	0.76
			2,059	0.76
Cayman Islands 1.10% (0.95%)				
Phoenix Group Holdings	GBP	488,122	3,012	1.10
			3,012	1.10
Guernsey 0.11% (0.16%)				
Sherborne Investors Guernsey C	GBP	404,691	297	0.11
			297	0.11
Jersey 0.00% (0.89%)				
United Kingdom 31.40% (32.03%)				
AstraZeneca	GBP	32,679	1,830	0.67
Babcock International Group	GBP	241,522	1,523	0.56
BAE Systems	GBP	340,271	1,935	0.71
BBA Aviation	GBP	1,168,789	3,002	1.10
Beazley	GBP	223,428	1,170	0.43
BHP Billiton	GBP	239,019	3,742	1.37
BP	GBP	266,735	1,488	0.55
British American Tobacco	GBP	53,028	1,735	0.64
BT Group	GBP	1,273,380	3,054	1.12
Carnival	GBP	19,735	853	0.31
Cineworld Group	GBP	479,381	1,389	0.51
Close Brothers Group	GBP	85,510	1,254	0.46
Compass Group	GBP	128,936	2,004	0.74
DFS Furniture	GBP	343,398	716	0.26
Diageo	GBP	39,276	990	0.36
DS Smith	GBP	295,500	1,194	0.44
GCP Student Living, REIT	GBP	303,094	447	0.16
GlaxoSmithKline	GBP	267,851	3,877	1.42
Greencoat UK Wind Fund	GBP	1,064,924	1,348	0.49
Headlam Group	GBP	93,187	423	0.16
HSBC Holdings	GBP	351,122	2,200	0.81
Ibstock	GBP	483,847	979	0.36
IMI	GBP	129,677	1,258	0.46
Imperial Brands	GBP	100,587	2,558	0.94
Informa	GBP	221,718	1,574	0.58
Intermediate Capital Group	GBP	370,720	3,511	1.29
ITV	GBP	1,330,922	2,123	0.78
KCOM Group	GBP	1,519,564	1,418	0.52
Legal & General Group	GBP	883,205	2,160	0.79
Melrose Industries	GBP	1,772,472	2,938	1.08
National Grid	GBP	243,399	1,914	0.70
Prudential	GBP	206,727	3,247	1.19
Rathbone Brothers	GBP	59,119	1,349	0.50
RELX	GBP	125,784	1,881	0.69
Rio Tinto	GBP	54,303	2,002	0.73
River & Mercantile Group	GBP	331,105	967	0.35
Royal Dutch Shell 'B'	GBP	182,554	4,622	1.70
Sabre Insurance Group	GBP	403,209	1,048	0.38
Sage Group	GBP	294,122	1,637	0.60
Schroders	GBP	48,135	1,329	0.49
Severn Trent	GBP	99,578	1,814	0.67
Smiths Group	GBP	99,947	1,339	0.49
St James's Place	GBP	173,960	1,802	0.66

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 31.40% (32.03%) (continued)				
Tritax Big Box REIT	GBP	633,035	917	0.34
Unilever	GBP	75,195	2,964	1.09
Vodafone Group	GBP	1,187,320	1,811	0.66
Volution Group	GBP	131,038	248	0.09
			85,584	31.40
Equities total			**90,952**	**33.37**
Government Bonds 5.83% (6.79%)				
United Kingdom 5.83% (6.79%)				
UK Treasury 4.00% 07/03/2022	GBP	£1,300,000	1,432	0.52
UK Treasury 2.00% 07/09/2025	GBP	£4,000,000	4,183	1.53
UK Treasury 4.25% 07/03/2036	GBP	£500,000	672	0.25
UK Treasury 4.75% 07/12/2038	GBP	£3,400,000	4,975	1.83
UK Treasury 4.50% 07/12/2042	GBP	£500,000	737	0.27
UK Treasury 3.50% 22/01/2045	GBP	£3,000,000	3,886	1.43
			15,885	5.83
Government Bonds total			**15,885**	**5.83**
Corporate Bonds 56.98% (52.26%)				
Australia 0.00% (0.47%)				
Belgium 0.66% (1.16%)				
Anheuser-Busch InBev 2.85% 25/05/2037	GBP	£2,000,000	1,810	0.66
			1,810	0.66
Cayman Islands 0.99% (1.35%)				
Thames Water Utilities Cayman Finance 2.88% 03/05/2027	GBP	£1,100,000	1,046	0.38
Thames Water Utilities Cayman Finance 7.74% 09/04/2058	GBP	£775,000	1,374	0.51
THPA Finance, Series B 8.24% 15/03/2028	GBP	£246,000	272	0.10
			2,692	0.99
France 3.18% (3.44%)				
AXA, FRN 5.63% 16/01/2054	GBP	£2,000,000	2,086	0.77
Electricite de France 6.13% 02/06/2034	GBP	£2,200,000	2,888	1.06
Electricite de France, FRN 6.00% Perpetual	GBP	£1,100,000	1,105	0.41
Orange 5.38% 22/11/2050	GBP	£1,300,000	1,720	0.63
Orange, FRN 5.88% Perpetual	GBP	£802,000	857	0.31
			8,656	3.18
Germany 1.05% (1.10%)				
Kreditanstalt fuer Wiederaufbau 5.00% 09/06/2036	GBP	£2,000,000	2,868	1.05
			2,868	1.05
Ireland 0.59% (0.00%)				
GE Capital UK Funding 5.88% 18/01/2033	GBP	£785,000	988	0.36
GE Capital UK Funding 8.00% 14/01/2039	GBP	£400,000	627	0.23
			1,615	0.59
Italy 1.30% (1.41%)				
Enel, FRN 6.62% 15/09/2076	GBP	£1,700,000	1,825	0.67
Telecom Italia 5.88% 19/05/2023	GBP	£1,600,000	1,722	0.63
			3,547	1.30
Jersey 5.30% (4.04%)				
AA Bond 6.27% 02/07/2043	GBP	£600,000	644	0.24
AA Bond 5.50% 31/07/2043	GBP	£1,500,000	1,371	0.50
Bank of Scotland Capital Funding, FRN 7.75% Perpetual	GBP	£3,377,000	3,728	1.37
CPUK Finance 3.59% 28/02/2042	GBP	£1,405,000	1,461	0.54
Gatwick Funding 5.25% 23/01/2026	GBP	£1,400,000	1,597	0.58
Gatwick Funding 2.63% 07/10/2048	GBP	£2,000,000	1,676	0.61
Heathrow Funding 7.13% 14/02/2024	GBP	£1,700,000	2,065	0.76
Heathrow Funding 6.45% 10/12/2031	GBP	£1,400,000	1,900	0.70
			14,442	5.30

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Mexico 1.07% (1.51%)				
America Movil 4.38% 07/08/2041	GBP	£1,000,000	1,121	0.41
America Movil, FRN, Series C 6.37% 06/09/2073	GBP	£1,700,000	1,800	0.66
			2,921	1.07
Netherlands 2.81% (2.94%)				
ABN AMRO Bank 1.00% 30/06/2020	GBP	£1,400,000	1,388	0.51
BNG Bank 1.00% 17/06/2022	GBP	£2,100,000	2,071	0.76
E.ON International Finance 6.38% 07/06/2032	GBP	£1,300,000	1,732	0.63
JT International Financial Services 2.75% 28/09/2033	GBP	£780,000	766	0.28
Telefonica Europe, FRN 6.75% Perpetual	GBP	£1,600,000	1,711	0.63
			7,668	2.81
Spain 0.61% (0.76%)				
Telefonica Emisiones 5.45% 08/10/2029	GBP	£1,400,000	1,655	0.61
			1,655	0.61
Switzerland 0.30% (0.36%)				
Credit Suisse Group, FRN 2.13% 12/09/2025	GBP	£860,000	820	0.30
			820	0.30
United Kingdom 32.63% (27.70%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	£1,700,000	1,579	0.58
Annington Funding 2.65% 12/07/2025	GBP	£1,465,000	1,436	0.53
Annington Funding 3.94% 12/07/2047	GBP	£1,300,000	1,288	0.47
Aviva, FRN 5.90% Perpetual†	GBP	£1,750,000	1,790	0.66
Aviva, FRN 6.88% 20/05/2058†	GBP	£1,200,000	1,392	0.51
Barclays 3.25% 12/02/2027	GBP	£2,500,000	2,421	0.89
Barclays Bank 10.00% 21/05/2021	GBP	£1,650,000	1,947	0.71
Barclays Bank, FRN 14.00% Perpetual	GBP	£1,500,000	1,610	0.59
Barclays Bank UK 4.25% 12/01/2022	GBP	£900,000	978	0.36
BAT International Finance 4.00% 04/09/2026	GBP	£600,000	644	0.24
BAT International Finance 2.25% 09/09/2052	GBP	£701,000	494	0.18
Broadgate Financing 5.00% 05/10/2033	GBP	£1,500,000	1,775	0.65
Bromford Housing Group 3.13% 03/05/2048	GBP	£1,558,000	1,494	0.55
Cadent Finance 2.13% 22/09/2028	GBP	£600,000	558	0.20
Canary Wharf Finance II, Series II A1 6.46% 22/10/2033	GBP	£246,416	306	0.11
Centrica 4.25% 12/09/2044	GBP	£733,000	802	0.29
Channel Link Enterprises Finance, FRN, Series A5 3.04% 30/06/2050	GBP	£325,000	316	0.12
Connect Plus M25 Issuer 2.61% 31/03/2039	GBP	£1,035,711	1,023	0.38
DS Smith 2.88% 26/07/2029	GBP	£1,600,000	1,520	0.56
Experian Finance 4.75% 23/11/2018	GBP	£1,500,000	1,505	0.55
Firstgroup 6.13% 18/01/2019	GBP	£1,900,000	1,921	0.70
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	£812,000	981	0.36
Grainger 3.38% 24/04/2028	GBP	£1,400,000	1,375	0.50
Great Rolling Stock 6.50% 05/04/2031	GBP	£1,144,000	1,410	0.52
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	£1,504,000	1,401	0.51
HSBC Bank 4.75% 24/03/2046	GBP	£1,700,000	1,938	0.71
HSBC Holdings 6.75% 11/09/2028	GBP	£1,500,000	1,872	0.69
HSBC Holdings, FRN 5.88% Perpetual	GBP	£1,747,000	1,727	0.63
Imperial Brands Finance 9.00% 17/02/2022	GBP	£2,500,000	3,046	1.12
Imperial Brands Finance 8.13% 15/03/2024	GBP	£1,690,000	2,141	0.79
Intu Metrocentre Finance, REIT 4.13% 06/12/2028	GBP	£1,000,000	1,053	0.39
Investec Bank 9.63% 17/02/2022	GBP	£700,000	828	0.30
Investec Bank, FRN 4.25% 24/07/2028	GBP	£1,239,000	1,210	0.44
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	£1,708,204	2,032	0.75
Legal & General Group, FRN 10.00% 23/07/2041	GBP	£2,000,000	2,387	0.88
Lloyds Bank 5.13% 07/03/2025	GBP	£800,000	952	0.35
Lloyds Bank 7.63% 22/04/2025	GBP	£2,200,000	2,764	1.01
Lloyds Banking Group 2.25% 16/10/2024	GBP	£1,546,000	1,490	0.55
Meadowhall Finance, Series B 4.99% 12/07/2037	GBP	£1,374,745	1,639	0.60
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	£1,700,000	1,929	0.71
NGG Finance, FRN 5.63% 18/06/2073	GBP	£2,000,000	2,178	0.80

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 32.63% (27.70%) (continued)				
Notting Hill Housing Trust 3.75% 20/12/2032	GBP	£1,000,000	1,054	0.39
Prudential, FRN 11.37% 29/05/2039	GBP	£1,750,000	1,854	0.68
Prudential, FRN 5.63% 20/10/2051	GBP	£1,171,000	1,182	0.43
Prudential, FRN 5.70% 19/12/2063	GBP	£1,400,000	1,563	0.57
RAC Bond 4.57% 06/05/2046	GBP	£1,600,000	1,627	0.60
RELX Investments 2.75% 01/08/2019	GBP	£1,700,000	1,712	0.63
Royal Bank of Scotland Group, FRN 2.87% 19/09/2026	GBP	£2,700,000	2,640	0.97
Santander UK 5.13% 14/04/2021	GBP	£1,400,000	1,527	0.56
Segro, REIT 2.38% 11/10/2029	GBP	£2,200,000	2,085	0.77
Southern Gas Networks 2.50% 03/02/2025	GBP	£1,500,000	1,504	0.55
Tesco Property Finance 6 5.41% 13/07/2044	GBP	£503,843	573	0.21
Tritax Big Box REIT 2.63% 14/12/2026	GBP	£1,700,000	1,661	0.61
UNITE USAF II 3.92% 30/06/2030	GBP	£1,068,000	1,165	0.43
Virgin Media Secured Finance 5.00% 15/04/2027	GBP	£1,600,000	1,584	0.58
Vodafone Group, FRN 4.87% 03/10/2078	GBP	£1,145,000	1,129	0.41
Wellcome Trust 2.52% 07/02/2118	GBP	£1,020,000	862	0.32
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	£2,300,000	2,922	1.07
White City Property Finance 5.12% 17/04/2035	GBP	£369,531	449	0.16
Yorkshire Water Finance 6.45% 28/05/2027	GBP	£520,000	671	0.25
			88,916	32.63
United States of America 6.49% (6.02%)				
AT&T 4.38% 14/09/2029	GBP	£1,900,000	2,048	0.75
AT&T 4.25% 01/06/2043	GBP	£1,600,000	1,630	0.60
Bank of America 7.00% 31/07/2028	GBP	£1,700,000	2,286	0.84
Citigroup 4.50% 03/03/2031	GBP	£1,600,000	1,732	0.63
Goldman Sachs Group 4.25% 29/01/2026	GBP	£1,700,000	1,844	0.68
JPMorgan Chase 1.88% 10/02/2020	GBP	£1,434,000	1,443	0.53
Time Warner Cable 5.25% 15/07/2042	GBP	£500,000	540	0.20
Verizon Communications 4.07% 18/06/2024	GBP	£2,000,000	2,201	0.81
Verizon Communications 3.38% 27/10/2036	GBP	£1,510,000	1,467	0.54
Wells Fargo 2.00% 28/07/2025	GBP	£2,600,000	2,483	0.91
			17,674	6.49
Corporate Bonds total			**155,284**	**56.98**
Supranationals 1.13% (1.16%)				
European Investment Bank 5.00% 15/04/2039	GBP	£2,100,000	3,065	1.13
			3,065	1.13
Supranationals total			**3,065**	**1.13**
Swaps (0.06)% (0.00%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	14,000,000	(169)	(0.06)
Swaps total			**(169)**	**(0.06)**
Futures 0.00% ((0.02)%)				
Long Gilt 27/12/2018	GBP	(9)	–	–
Futures total			**–**	**–**
Investment assets (including investment liabilities)			265,017	97.25
Net other assets			7,503	2.75
Net assets			**272,520**	**100.00**

All holdings are debt securities denominated in sterling and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(14,277)		6,692
Revenue	3	10,363		9,672	
Expenses	4	(2,378)		(2,395)	
Net revenue before taxation		7,985		7,277	
Taxation	5	–		–	
Net revenue after taxation			7,985		7,277
Total return before distributions			**(6,292)**		**13,969**
Distributions	6		(9,066)		(8,318)
Change in net assets attributable to shareholders from investment activities			**(15,358)**		**5,651**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**268,347**		**236,733**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	35,347		38,020	
Amounts payable on cancellation of shares	(17,652)		(13,414)	
		17,695		24,606
Change in net assets attributable to shareholders from investment activities (see above)		(15,358)		5,651
Retained distribution on accumulation shares		1,828		1,349
Unclaimed distribution monies		8		8
Closing net assets attributable to shareholders		**272,520**		**268,347**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	265,186	254,995
Current assets:			
Debtors	8	3,994	3,000
Cash and bank balances	9	5,913	14,246
Total assets		**275,093**	**272,241**
Liabilities:			
Investment liabilities	7	(169)	(43)
Creditors:			
Distribution payable		(2,030)	(1,785)
Other creditors	10	(374)	(2,066)
Total liabilities		**(2,573)**	**(3,894)**
Net assets attributable to shareholders		**272,520**	**268,347**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains	2	–
Derivative contracts gains	16	24
Expenses relating to the purchase and sale of investments	(2)	(4)
Non-derivative securities (losses)/gains	(14,293)	6,672
Net capital (losses)/gains	**(14,277)**	**6,692**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	3	–
Interest on debt securities	6,108	5,722
Income from derivatives	(8)	14
Overseas dividends	283	294
Property income distributions	33	15
UK dividends	3,944	3,620
Underwriting commission	–	7
Total revenue	**10,363**	**9,672**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	2,163	2,074
Registration fees	169	252
	2,332	2,326
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	23	35
Safe custody fee	11	15
	34	50
Other expenses:		
Audit fee**	7	11
Printing & postage expenses	1	1
Statement fees	4	7
	12	19
Total expenses	**2,378**	**2,395**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,601 (2017: £9,161) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**7,985**	**7,277**
Corporation tax at 20%	1,597	1,455
Effects of:		
UK dividends not subject to corporation tax	(775)	(704)
Overseas dividends not subject to corporation tax	(57)	(59)
Tax deductible on interest distributions	(765)	(692)
	(1,597)	(1,455)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	1,839	1,596
Gross interest distribution for the three months ended 15 April	2,373	2,186
Gross interest distribution for the three months ended 15 July	2,343	2,465
Gross interest distribution for the three months ended 15 October	2,604	2,180
	9,159	8,427
Add: Revenue deducted on cancellation of shares	74	48
Deduct: Revenue received on issue of shares	(167)	(157)
Total distributions	**9,066**	**8,318**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	9,066	8,318
ACD's periodic charge borne by the capital account	(1,081)	(1,037)
Equalisation on conversions	–	(4)
Net revenue after taxation	**7,985**	**7,277**

Details of the distributions per share are set out in the distribution tables on pages 150 and 151.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	90,952	–	93,433	(43)
Level 2: Observable market data	174,234	(169)	161,562	–
Total value	**265,186**	**(169)**	**254,995**	**(43)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	2,972	2,663
Amounts receivable on issue of shares	723	325
Overseas tax recoverable	3	3
Sales awaiting settlement	296	9
Total debtors	**3,994**	**3,000**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing house and brokers	15	69
Cash and bank balances	5,898	14,177
Total cash and bank balances	**5,913**	**14,246**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	256	317
Amounts payable for cancellation of shares	105	214
Purchases awaiting settlement	13	1,535
Total other creditors	**374**	**2,066**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £255,739 (2017: £252,452). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £1,807,120 (2017: £1,234,813). The amount outstanding at the year end was £533,621 (2017: £313,363). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2017: £1,222,366) and £2,861,908 (2017: £608,672) respectively. The income received during the year amounted to £291,082 (2017: £309,254).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	7,605	(126,459)	134,064
ACD and related parties (Class 2 Income shares)	14,429,072	9,804,262	4,624,810
ACD and related parties (Class 3 Income shares)	1,454,265	(28,662)	1,482,927
ACD and related parties (Class 2 Accumulation shares)	9,724,025	(390,874)	10,114,899

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 and 4 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.88%
Class 2: 0.73%
Class 3: 0.33%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 135 and 136. The distributions per share are given in the distribution tables on pages 150 and 151. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	32,093,270	976,105	(2,922,511)	168,073	30,314,937
Class 2 Income shares	67,409,057	6,518,387	(3,423,684)	131,977	70,635,737
Class 3 Income shares	1,482,927	205,512	(234,174)	–	1,454,265
Class 4 Income shares	458,717	118,662	(59,988)	(517,391)	–
Class 1 Accumulation shares	4,039,866	116,711	(624,653)	(7,630)	3,524,294
Class 2 Accumulation shares	14,187,197	7,693,307	(508,994)	–	21,371,510

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, none (2017: none) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	10,943	169,059	94,918	274,920
Euro	140	–	–	140
US dollar	6	–	27	33
Financial Liabilities				
Sterling	–	–	(2,404)	(2,404)
Euro	–	–	(169)	(169)
Total	**11,089**	**169,059**	**92,372**	**272,520**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	39,747	136,061	96,449	272,257
Financial Liabilities				
Sterling	–	–	(3,910)	(3,910)
Total	**39,747**	**136,061**	**92,539**	**268,347**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £14,044,463 (2017: £13,918,905). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £14,044,463 (2017: £13,918,905). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 97.25% (2017: 95.01%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.73% (2017: 9.50%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were futures contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement.

15.10.18	Swaps £000	Futures contracts £000	Total £000
JPMorgan	–	–	–
Total	**–**	**–**	**–**

15.10.17	Futures contracts £000	Total £000
JPMorgan	–	–
Total	**–**	**–**

The counterparty exposure on futures contracts is reported at their positive mark to market values.

Collateral

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2017: £nil).

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	151,884	136,527	55.75%	50.89%
Below investment grade securities	22,350	25,035	8.19%	9.32%
Total debt securities	**174,234**	**161,562**	**63.94%**	**60.21%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding corporate actions)						
Bonds	(65,812)	–	–	(65,812)	0.00%	0.00%
Equities	(30,959)	(15)	(250)	(31,224)	0.05%	0.81%
	(96,771)	(15)	(250)	(97,036)		
Sales (excluding corporate actions)						
Bonds	45,964	–	–	45,964	0.00%	0.00%
Equities	25,262	(13)	–	25,249	0.05%	0.00%
	71,226	(13)	–	71,213		
Total		(28)	(250)			
Percentage of Fund average net assets		0.01%	0.09%			

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding corporate actions)						
Bonds	(68,069)	–	–	(68,069)	0.00%	0.00%
Equities	(23,982)	(12)	(118)	(24,112)	0.05%	0.49%
Purchases (corporate action activity only)						
Equities	(608)	–	–	(608)	0.00%	0.00%
	(92,659)	(12)	(118)	(92,789)		
Sales (excluding corporate actions)						
Bonds	54,118	–	–	54,118	0.00%	0.00%
Equities	10,746	(6)	–	10,740	0.06%	0.00%
Sales (corporate action activity only)						
Bonds	521	–	–	521	0.00%	0.00%
	65,385	(6)	–	65,379		
Total		(18)	(118)			
Percentage of Fund average net assets		0.01%	0.04%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.44% (2017: 0.42%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	1.8910	–	1.8910	1.6066
	Group 2	0.6334	1.2576	1.8910	1.6066
Class 2 Income shares	Group 1	2.0177	–	2.0177	1.8557
	Group 2	0.9659	1.0518	2.0177	1.8557
Class 3 Income shares	Group 1	2.1938	–	2.1938	2.0508
	Group 2	0.9231	1.2707	2.1938	2.0508
Class 4 Income shares	Group 1	0.0000	–	0.0000	0.9847
	Group 2	0.0000	0.0000	0.0000	0.9847

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	3.1485	–	3.1485	2.5979
	Group 2	1.0554	2.0931	3.1485	2.5979
Class 2 Accumulation shares	Group 1	2.1641	–	2.1641	1.9276
	Group 2	1.0491	1.1150	2.1641	1.9276

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the three months ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Income shares	Group 1	1.6756	–	1.6756	1.8646
	Group 2	0.5741	1.1015	1.6756	1.8646
Class 2 Income shares	Group 1	1.8645	–	1.8645	2.1257
	Group 2	0.8018	1.0627	1.8645	2.1257
Class 3 Income shares	Group 1	2.0477	–	2.0477	2.3297
	Group 2	1.4830	0.5647	2.0477	2.3297
Class 4 Income shares	Group 1	0.0000	–	0.0000	1.1309
	Group 2	0.0000	0.0000	0.0000	1.1309

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Accumulation shares	Group 1	2.7679	–	2.7679	2.9875
	Group 2	1.5075	1.2604	2.7679	2.9875
Class 2 Accumulation shares	Group 1	1.9832	–	1.9832	2.1860
	Group 2	0.8499	1.1333	1.9832	2.1860

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	1.6770	–	1.6770	1.6898
	Group 2	0.7143	0.9627	1.6770	1.6898
Class 2 Income shares	Group 1	1.9594	–	1.9594	1.9345
	Group 2	0.8947	1.0647	1.9594	1.9345
Class 3 Income shares	Group 1	2.1757	–	2.1757	2.1261
	Group 2	1.7782	0.3975	2.1757	2.1261
Class 4 Income shares	Group 1	1.0365	–	1.0365	1.0282
	Group 2	0.4617	0.5748	1.0365	1.0282

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	2.7486	–	2.7486	2.6864
	Group 2	1.3163	1.4323	2.7486	2.6864
Class 2 Accumulation shares	Group 1	2.0679	–	2.0679	1.9724
	Group 2	0.7150	1.3529	2.0679	1.9724

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the three months ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Income shares	Group 1	1.3461	–	1.3461	1.0218
	Group 2	0.6136	0.7325	1.3461	1.0218
Class 2 Income shares	Group 1	1.5541	–	1.5541	1.2009
	Group 2	0.8465	0.7076	1.5541	1.2009
Class 3 Income shares	Group 1	1.7169	–	1.7169	1.3424
	Group 2	0.9321	0.7848	1.7169	1.3424
Class 4 Income shares	Group 1	0.8246	–	0.8246	0.6349
	Group 2	0.4587	0.3659	0.8246	0.6349

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Accumulation shares	Group 1	2.1921	–	2.1921	1.5972
	Group 2	1.1994	0.9927	2.1921	1.5972
Class 2 Accumulation shares	Group 1	1.6271	–	1.6271	1.2224
	Group 2	0.9851	0.6420	1.6271	1.2224

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Up to 5 April 2017, the distributions payable were calculated after the deduction of basic rate income tax. From 6 April 2017, distributions payable are calculated without deducting this tax. The tax treatment of distributions will depend on an investor's individual circumstances.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -1.55 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling High Yield sector, generated a net return of 0.31 per cent.

Review
The Fund posted a negative return in the twelve months under review as bond markets began to reflect the winding down of central bank support. Although the Fund was judiciously positioned to weather the impact of rising interest rates, this was more than offset by disappointing security selection. Notable detractors included US car component manufacturer Adient, which has consistently struggled to maintain profitability since being spun off from its parent company in 2016. A fall in profits on the back of pricing factors and currency movements also weighed on the performance of German packaging manufacturer Kloeckner. There was a strong recovery, however, from the bonds of embattled UK clothes retailer New Look after it reached a voluntary agreement with its creditors and undertook restructuring.

Over the course of the review period, we held a neutral position in terms of the portfolio's sensitivity to changes in interest rates as the performance of the global economy improved. We favoured corporate hybrid bonds (a mixture of debt and equity) that had been issued by good-quality utility and telecoms companies. While the Fund was overweight in both these sectors, it was underweight in basic industries and had no exposure to companies linked to commodities. We also tended to avoid European banks as issuance in the high-yield sector is dominated by the more volatile Eurozone periphery countries. We purchased a number of new issues, including Belgian cable operator Telenet, Israeli pharmaceutical maker Teva, financial data provider Refinitiv and speciality chemicals manufacturer AkzoNobel.

Outlook
In the medium term, fixed-income assets in general are likely to struggle against the dual headwinds of rising interest rates, particularly in the US, and higher inflation globally. High-yield bonds nevertheless have the advantage of being less sensitive to changes in interest rates than other areas of the market. Relative to other types of bonds, they are also more positively geared into the performance of the global economy, which is currently underpinned by strong growth in the US. With growth rates and interest-rate policies among the developed economies diverging, country and currency allocation will play an important role in our investment strategy.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 153 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Fabric BC, FRN 4.13% 30/11/2024	Altice France 7.38% 01/05/2026
Virgin Media Secured Finance 5.00% 15/04/2027	Virgin Media Secured Finance 5.50% 15/01/2025
Verizon Communications 2.88% 15/01/2038	Western Digital 10.50% 01/04/2024
Equinix, REIT 2.88% 01/02/2026	Dollar Tree 5.75% 01/03/2023
Vantiv 3.88% 15/11/2025	Travis Perkins 4.38% 15/09/2021
Telenet Finance Luxembourg Notes 3.50% 01/03/2028	Matalan Finance 6.88% 01/06/2019
LKQ European Holdings 4.13% 01/04/2028	Telenet Finance Luxembourg Notes 3.50% 01/03/2028
Anglian Water Osprey Financing 4.00% 08/03/2026	Tereos Finance Groupe I 4.13% 16/06/2023
InterXion Holding 4.75% 15/06/2025	Ladbrokes Group Finance 5.13% 08/09/2023

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	72.50	71.83	69.79
Return before operating charges†	(0.43)	4.46	6.33
Operating charges	(0.75)	(0.83)	(0.81)
Return after operating charges†	(1.18)	3.63	5.52
Distributions	(3.14)	(2.96)	(3.48)
Closing net asset value per share	68.18	72.50	71.83
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.63)%	5.05%	7.91%
Other information			
Closing net asset value (£000)	4,649	4,865	5,792
Closing number of shares	6,818,484	6,710,882	8,063,859
Operating charges (%)‡	1.05%	1.14%	1.14%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	73.14	73.75	73.50
Lowest share price	68.92	71.63	66.86

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	109.87	108.86	105.77
Return before operating charges†	(0.64)	6.75	9.60
Operating charges	(0.69)	(0.70)	(0.69)
Return after operating charges†	(1.33)	6.05	8.91
Distributions	(5.21)	(5.04)	(5.82)
Closing net asset value per share	103.33	109.87	108.86
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.21)%	5.56%	8.42%
Other information			
Closing net asset value (£000)	90,517	135,022	120,030
Closing number of shares	87,597,844	122,888,877	110,257,473
Operating charges (%)‡	0.64%	0.64%	0.64%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	110.88	111.85	111.46
Lowest share price	104.45	108.59	101.36

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	242.05	229.03	212.60
Return before operating charges†	(1.47)	14.38	19.68
Operating charges	(0.83)	(0.80)	(0.74)
Return after operating charges†	(2.30)	13.58	18.94
Distributions	(12.42)	(11.48)	(12.55)
Retained distributions on accumulation shares	12.42	10.92	10.04
Closing net asset value per share	239.75	242.05	229.03
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.95)%	5.93%	8.91%
Other information			
Closing net asset value (£000)	41,272	41,282	74,148
Closing number of shares	17,214,629	17,055,139	32,375,023
Operating charges (%)‡	0.34%	0.34%	0.34%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	244.30	243.00	232.09
Lowest share price	237.63	228.50	206.21

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.05%**	1.14%
Class 2	0.64%	0.64%
Class 3	0.34%	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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Corporate Bonds 92.62% (94.62%)				
Canada 1.48% (1.26%)				
Kinross Gold 4.50% 15/07/2027	USD	3,000,000	2,026	1.48
			2,026	1.48
Cayman Islands 0.81% (0.61%)				
THPA Finance, Series B 8.24% 15/03/2028	GBP	1,000,000	1,107	0.81
			1,107	0.81
Croatia 0.28% (0.22%)				
Agrokor dd 9.13% 01/02/2020§	EUR	1,560,000	376	0.28
			376	0.28
Denmark 0.51% (1.56%)				
Norican 4.50% 15/05/2023	EUR	833,000	701	0.51
			701	0.51
France 6.21% (8.43%)				
Altice France 7.38% 01/05/2026	USD	1,000,000	752	0.55
Altice France 5.88% 01/02/2027	EUR	750,000	693	0.51
BNP Paribas, FRN 7.00% Perpetual	USD	724,000	544	0.40
Credit Agricole, FRN 8.12% Perpetual	USD	1,500,000	1,230	0.90
Crown European Holdings 3.38% 15/05/2025	EUR	1,200,000	1,090	0.80
Electricite de France, FRN 6.00% Perpetual	GBP	1,300,000	1,306	0.96
Novafives 5.00% 15/06/2025	EUR	1,070,000	879	0.64
PSA Tresorerie GIE 6.00% 19/09/2033	EUR	1,750,000	1,974	1.45
			8,468	6.21
Germany 4.34% (4.43%)				
Kirk Beauty One 8.75% 15/07/2023	EUR	1,500,000	807	0.59
Nidda Healthcare Holding 3.50% 30/09/2024	EUR	719,000	626	0.46
Nordex 6.50% 01/02/2023	EUR	1,000,000	865	0.63
Tele Columbus 3.88% 02/05/2025	EUR	945,000	771	0.57
Unitymedia Hessen 4.63% 15/02/2026	EUR	2,307,600	2,199	1.61
WEPA Hygieneprodukte 3.75% 15/05/2024	EUR	750,000	659	0.48
			5,927	4.34
Hong Kong 1.12% (0.88%)				
CITIC, FRN 8.62% Perpetual	USD	2,000,000	1,523	1.12
			1,523	1.12
Isle of Man 0.61% (0.00%)				
Playtech 3.75% 12/10/2023	EUR	949,000	833	0.61
			833	0.61
Italy 6.88% (6.19%)				
Enel, FRN 8.75% 24/09/2073	USD	1,500,000	1,236	0.90
Fabric BC, FRN 4.13% 30/11/2024	EUR	1,800,000	1,570	1.15
Intesa Sanpaolo 6.63% 13/09/2023	EUR	2,050,000	2,043	1.50
Rekeep 9.00% 15/06/2022	EUR	1,500,000	1,203	0.88
Telecom Italia 5.88% 19/05/2023	GBP	2,700,000	2,906	2.13
Telecom Italia 2.38% 12/10/2027	EUR	545,000	434	0.32
			9,392	6.88
Japan 1.72% (1.45%)				
SoftBank Group 4.00% 19/09/2029	EUR	3,000,000	2,348	1.72
			2,348	1.72
Jersey 6.12% (4.23%)				
AA Bond 5.50% 31/07/2043	GBP	3,250,000	2,971	2.18
Adient Global Holdings 3.50% 15/08/2024	EUR	3,000,000	2,357	1.73
Avis Budget Finance 4.75% 30/01/2026	EUR	1,753,000	1,528	1.12
CPUK Finance 4.88% 28/02/2047	GBP	1,500,000	1,494	1.09
			8,350	6.12

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Luxembourg 6.63% (8.22%)				
Altice Finco 4.75% 15/01/2028	EUR	825,000	610	0.45
Galapagos Holding 7.00% 15/06/2022	EUR	2,500,000	1,095	0.80
Gestamp Funding Luxembourg 3.50% 15/05/2023	EUR	2,000,000	1,796	1.32
Kleopatra Holdings 1 8.50% 30/06/2023	EUR	2,386,000	1,452	1.06
LSF9 Balta Issuer 7.75% 15/09/2022	EUR	1,316,250	1,175	0.86
LSF10 Wolverine Investments, FRN 4.62% 15/03/2024	EUR	2,005,000	1,776	1.30
Telecom Italia Finance 7.75% 24/01/2033	EUR	1,000,000	1,148	0.84
			9,052	6.63
Mexico 0.00% (1.03%)				
Netherlands 8.76% (5.69%)				
Energizer Gamma Acquisition 4.63% 15/07/2026	EUR	1,330,000	1,213	0.89
InterXion Holding 4.75% 15/06/2025	EUR	1,010,000	933	0.68
Koninklijke KPN, FRN 6.88% 14/03/2073	GBP	2,600,000	2,738	2.01
LKQ European Holdings 4.13% 01/04/2028	EUR	1,800,000	1,568	1.15
Telefonica Europe, FRN 6.75% Perpetual	GBP	3,500,000	3,743	2.74
Ziggo 3.75% 15/01/2025	EUR	2,000,000	1,754	1.29
			11,949	8.76
South Africa 0.00% (0.28%)				
Switzerland 0.83% (0.00%)				
UBS Group Funding Switzerland, FRN 6.87% Perpetual	USD	1,500,000	1,129	0.83
			1,129	0.83
United Kingdom 31.05% (31.50%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	2,213,000	2,055	1.51
Barclays, FRN 7.75% Perpetual	USD	1,207,000	912	0.67
Barclays Bank, FRN 14.00% Perpetual	GBP	3,370,000	3,617	2.65
First Hydro Finance, Series BR 9.00% 31/07/2021	GBP	450,000	535	0.39
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	2,250,000	2,096	1.54
Heathrow Finance 3.88% 01/03/2027	GBP	1,700,000	1,612	1.18
House of Fraser Funding, FRN 6.55% 15/09/2020	GBP	540,000	86	0.06
HSBC Holdings, FRN 5.88% Perpetual	GBP	1,342,000	1,327	0.97
Investec, FRN 6.75% Perpetual	GBP	1,500,000	1,484	1.09
Iron Mountain UK 3.88% 15/11/2025	GBP	846,000	800	0.59
Kelda Finance No. 3 5.75% 17/02/2020	GBP	2,750,000	2,825	2.07
Keystone Financing 9.50% 15/10/2019	GBP	353,612	354	0.26
Lloyds Bank, FRN 12.00% Perpetual	USD	4,000,000	3,713	2.72
Mitchells & Butlers Finance, FRN, Series D1 2.92% 15/06/2036	GBP	1,734,000	1,305	0.96
New Look Secured Issuer 6.50% 01/07/2022	GBP	1,000,000	548	0.40
New Look Senior Issuer 8.00% 01/07/2023	GBP	2,150,000	559	0.41
NWEN Finance 5.88% 21/06/2021	GBP	2,200,000	2,331	1.71
Prudential, FRN 11.37% 29/05/2039	GBP	1,710,000	1,812	1.33
Prudential, FRN 5.63% 20/10/2051	GBP	911,000	920	0.67
RAC Bond 5.00% 06/05/2046	GBP	1,750,000	1,645	1.21
Saga 3.38% 12/05/2024	GBP	2,000,000	1,877	1.38
Spirit Issuer, Series A5 5.47% 28/12/2034	GBP	2,200,000	2,296	1.68
TES Finance 6.75% 15/07/2020	GBP	1,900,000	1,805	1.32
Thames Water Kemble Finance 7.75% 01/04/2019	GBP	1,000,000	1,024	0.75
Virgin Media Secured Finance 5.00% 15/04/2027	GBP	2,750,000	2,722	1.99
Virgin Media Secured Finance 6.25% 28/03/2029	GBP	1,000,000	1,041	0.76
Vodafone Group, FRN 4.87% 03/10/2078	GBP	1,082,000	1,066	0.78
			42,367	31.05
United States of America 15.27% (18.64%)				
Alliance Data Systems 4.50% 15/03/2022	EUR	2,500,000	2,254	1.65
Ball 4.38% 15/12/2020	USD	2,500,000	1,908	1.40
Belden 3.88% 15/03/2028	EUR	1,300,000	1,134	0.83
Calpine 5.75% 15/01/2025	USD	2,500,000	1,671	1.23
Equinix, REIT 2.88% 01/02/2026	EUR	2,000,000	1,724	1.26
Frontier Communications 11.00% 15/09/2025	USD	4,250,000	2,439	1.79
HCA 5.88% 01/05/2023	USD	2,000,000	1,575	1.15

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 15.27% (18.64%) (continued)				
IQVIA 3.50% 15/10/2024	EUR	880,000	794	0.58
IQVIA 2.88% 15/09/2025	EUR	1,190,000	1,021	0.75
Kraton Polymers 5.25% 15/05/2026	EUR	750,000	666	0.49
Refinitiv US Holdings 4.50% 15/05/2026	EUR	1,333,000	1,171	0.86
Silgan Holdings 3.25% 15/03/2025	EUR	1,190,000	1,077	0.79
Vantiv 3.88% 15/11/2025	GBP	2,000,000	1,952	1.43
Verizon Communications 2.88% 15/01/2038	EUR	1,650,000	1,442	1.06
			20,828	15.27
Corporate Bonds total			**126,376**	**92.62**
Swaps (0.10)% ((0.35)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	11,300,000	(136)	(0.10)
Swaps total			**(136)**	**(0.10)**
Forward Currency Contracts 1.59% ((0.71)%)				
Buy EUR 537,000 sell GBP 470,164 dated 07/12/2018			3	–
Buy EUR 2,200,000 sell GBP 1,962,522 dated 07/12/2018			(22)	(0.01)
Buy GBP 57,944,205 sell EUR 63,938,003 dated 07/12/2018			1,558	1.14
Buy GBP 25,610,277 sell USD 32,955,996 dated 07/12/2018			656	0.48
Buy USD 4,226 sell ARS 184,000 dated 07/12/2018			–	–
Buy USD 459,000 sell GBP 346,964 dated 07/12/2018			1	–
Buy USD 4,000,000 sell GBP 3,060,894 dated 07/12/2018			(32)	(0.02)
Forward Currency Contracts total			**2,164**	**1.59**
Futures 0.07% (0.03%)				
Euro-Bund 06/12/2018	EUR	(26)	46	0.03
Euro-Buxl 06/12/2018	EUR	(3)	10	0.01
Long Gilt 27/12/2018	GBP	(11)	–	–
US 10 Year Note 19/12/2018	USD	(8)	11	0.01
US Ultra Bond 19/12/2018	USD	(5)	33	0.02
Futures total			**100**	**0.07**
Liquidity Funds 2.79% (1.60%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	3,800,000	3,800	2.79
Liquidity Funds total			**3,800**	**2.79**
Investment assets (including investment liabilities)			132,304	96.97
Net other assets			4,134	3.03
Net assets			**136,438**	**100.00**

All holdings are debt securities denominated in sterling and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
§ Security is currently in default.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(9,421)		1,678
Revenue	3	8,482		9,620	
Expenses	4	(901)		(1,064)	
Net revenue before taxation		7,581		8,556	
Taxation	5	–		–	
Net revenue after taxation			7,581		8,556
Total return before distributions			**(1,840)**		**10,234**
Distributions	6		(7,581)		(8,557)
Change in net assets attributable to shareholders from investment activities			**(9,421)**		**1,677**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**181,169**		**199,970**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	18,313		46,018	
Amounts payable on cancellation of shares	(55,686)		(68,850)	
		(37,373)		(22,832)
Dilution adjustment		21		200
Change in net assets attributable to shareholders from investment activities (see above)		(9,421)		1,677
Retained distribution on accumulation shares		2,042		2,154
Closing net assets attributable to shareholders		**136,438**		**181,169**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	132,494	174,377
Current assets:			
Debtors	8	2,235	5,784
Cash and bank balances	9	4,947	8,228
Total assets		**139,676**	**188,389**
Liabilities:			
Investment liabilities	7	(190)	(1,919)
Creditors:			
Distribution payable		(1,212)	(1,592)
Other creditors	10	(1,836)	(3,709)
Total liabilities		**(3,238)**	**(7,220)**
Net assets attributable to shareholders		**136,438**	**181,169**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains	119	1,175
Derivative contracts gains/(losses)	4	(218)
Expenses relating to the purchase and sale of investments	(4)	(6)
Forward currency contracts gains	590	3,236
Non-derivative securities losses	(10,130)	(2,509)
Net capital (losses)/gains	**(9,421)**	**1,678**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	–	5
Interest on debt securities	8,529	9,743
Interest on derivatives	(47)	(128)
Total revenue	**8,482**	**9,620**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	778	854
Registration fees	77	137
	855	991
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	14	26
Interest payable	12	14
Safe custody fee	10	16
	36	56
Other expenses:		
Audit fee**	7	11
Printing & postage expenses	–	1
Statement fees	3	5
	10	17
Total expenses	**901**	**1,064**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,273 (2017: £8,848) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**7,581**	**8,556**
Corporation tax at 20%	1,516	1,711
Effects of:		
Tax deductible on interest distributions	(1,516)	(1,711)
	(1,516)	(1,711)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	1,997	2,435
Gross interest distribution for the three months ended 15 April	1,715	2,039
Gross interest distribution for the three months ended 15 July	1,839	2,066
Gross interest distribution for the three months ended 15 October	1,763	2,088
	7,314	8,628
Add: Revenue deducted on cancellation of shares	394	171
Deduct: Revenue received on issue of shares	(127)	(242)
Total distributions	**7,581**	**8,557**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	7,581	8,557
Equalisation on conversions	–	(1)
Net revenue after taxation	**7,581**	**8,556**

Details of the distributions per share are set out in the distribution tables on pages 165 and 166.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	100	–	50	(2)
Level 2: Observable market data	132,018	(190)	174,327	(1,917)
Level 3: Unobservable data	376	–	–	–
Total value	**132,494**	**(190)**	**174,377**	**(1,919)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	1,964	2,780
Amounts receivable on issue of shares	153	323
Overseas tax recoverable	111	110
Sales awaiting settlement	7	2,571
Total debtors	**2,235**	**5,784**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing houses and brokers	1	–
Cash and bank balances	4,946	8,228
Total cash and bank balances	**4,947**	**8,228**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	90	144
Amounts payable for cancellation of shares	1,746	185
Purchases awaiting settlement	–	3,380
Total other creditors	**1,836**	**3,709**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £90,282 (2017: £101,348). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,641,571 (2017: £2,616,379). The amount outstanding at the year end was £688,391 (2017: £652,714). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the 15 October 2018 amounted to £99,000,000 (2017: £76,200,000) and £102,002,000 (2017: £76,299,000) respectively. The income received during the 15 October 2018 amounted to £5,204 (2017: £8,823).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 2 Income shares)	11,213,772	(1,225,629)	12,439,401
ACD and related parties (Class 3 Accumulation shares)	16,868,767	(186,372)	17,055,139

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.88%
Class 2: 0.64%
Class 3: 0.34%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 153. The distributions per share are given in the distribution tables on pages 165 and 166. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	6,710,882	1,571,043	(1,456,067)	(7,374)	6,818,484
Class 2 Income shares	122,888,877	8,053,625	(43,349,520)	4,862	87,597,844
Class 3 Accumulation shares	17,055,139	3,565,762	(3,406,272)	–	17,214,629

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Currency risk

At the year end date, (0.09)% (2017: 0.46%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	11,659	49,140	84,780	145,579
Argentine peso	4	–	–	4
Euro	8,267	44,960	3,018	56,245
US dollar	1,958	19,134	3,885	24,977
Financial Liabilities				
Sterling	–	–	(9,025)	(9,025)
Argentine peso	–	–	(3)	(3)
Euro	–	–	(56,385)	(56,385)
US dollar	–	–	(24,954)	(24,954)
Total	**21,888**	**113,234**	**1,316**	**136,438**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	8,343	73,468	101,434	183,245
Argentine peso	8	–	–	8
Euro	4,041	56,413	–	60,454
South African rand	–	511	–	511
US dollar	3,937	35,829	134	39,900
Financial Liabilities				
Sterling	–	–	(2,550)	(2,550)
Argentine peso	–	–	(8)	(8)
Euro	–	–	(59,332)	(59,332)
South African rand	–	–	(517)	(517)
US dollar	–	–	(40,188)	(40,188)
Total	**16,329**	**166,221**	**(1,027)**	**181,523**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

The floating rate on Euro FRNs is linked to LIBOR or its overseas equivalent.

The floating rate on US Dollar FRNs is linked to LIBOR or its overseas equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £5,061,244 (2017: £6,629,995). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £5,061,244 (2017: £6,629,995). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 96.97% (2017: 95.19%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.70% (2017: 9.52%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts, futures contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	(45)	–	(45)
Goldman Sachs	1,559	–	1,559
JPMorgan	–	100	100
Royal Bank of Canada	3	–	3
Royal Bank of Scotland	657	–	657
UBS	(10)	–	(10)
Total	**2,164**	**100**	**2,264**

15.10.17	Forward currency contracts £000	Futures contracts £000	Total £000
Goldman Sachs	(786)	–	(786)
JPMorgan	(7)	50	43
Société Générale	(490)	–	(490)
Total	**(1,283)**	**50**	**(1,233)**

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts and credit default swaps it is only the positive mark to market value that are reported.

Collateral

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2017: £nil).

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	10,276	8,871	7.52%	4.90%
Below investment grade securities	111,326	157,865	81.60%	87.14%
Unrated securities	4,774	4,685	3.50%	2.59%
Total debt securities	**126,376**	**171,421**	**92.62%**	**94.62%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £104,457,476 (2017: £154,956,879) and the total sales amounted to £138,225,558 (2017: £174,551,281).

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 1.03% (2017: 0.80%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	0.8269	–	0.8269	0.7359
	Group 2	0.3440	0.4829	0.8269	0.7359
Class 2 Income shares	Group 1	1.3186	–	1.3186	1.2549
	Group 2	0.6546	0.6640	1.3186	1.2549

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Accumulation shares	Group 1	3.2043	–	3.2043	2.9118
	Group 2	0.6294	2.5749	3.2043	2.9118

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the three months ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Income shares	Group 1	0.8217	–	0.8217	0.7300
	Group 2	0.3217	0.5000	0.8217	0.7300
Class 2 Income shares	Group 1	1.3462	–	1.3462	1.2471
	Group 2	0.6408	0.7054	1.3462	1.2471

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 3 Accumulation shares	Group 1	3.2198	–	3.2198	2.8621
	Group 2	1.3332	1.8866	3.2198	2.8621

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	0.7021	–	0.7021	0.7530
	Group 2	0.3765	0.3256	0.7021	0.7530
Class 2 Income shares	Group 1	1.1948	–	1.1948	1.2786
	Group 2	0.6565	0.5383	1.1948	1.2786

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Accumulation shares	Group 1	2.8420	–	2.8420	2.8875
	Group 2	1.6532	1.1888	2.8420	2.8875

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the three months ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Income shares	Group 1	0.7938	–	0.7938	0.5912
	Group 2	0.3649	0.4289	0.7938	0.5912
Class 2 Income shares	Group 1	1.3455	–	1.3455	1.0062
	Group 2	0.7360	0.6095	1.3455	1.0062

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 3 Accumulation shares	Group 1	3.1522	–	3.1522	2.2540
	Group 2	1.4511	1.7011	3.1522	2.2540

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

On 4 June 2018, share class 4 of this Fund was closed and merged into share class 1.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -1.34 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Strategic Bond sector, generated a net return of -0.68 per cent.

Review
Performance versus the sector was hurt by the Fund having a higher sensitivity to changes in interest rates than many of its peers and a lower exposure to high-yield bonds, which performed well. With higher-quality bonds underperforming, exposure to sovereign and supra-national issues also detracted. At the sector level, exposure to insurance credits was disappointing, with AXA suffering weakness as its finances were stretched by its $15 billion takeover of XL. Holding financial credits also hurt performance as trade war concerns escalated. The Fund suffered from owning longer-dated credits such as Verizon and AT&T, which suffered in an environment of rising yields. However, the general avoidance of emerging markets contributed positively. In terms of individual credits, supermarket Tesco contributed well after it bought back bonds from the market at a premium. Exposure to Unity Media and a new deal by Prudential also supported performance. However, this was offset by weak performance by roadside assistance company AA, whose profitability was dented by a spike in callouts.

During the period, the Fund was broadly diversified across sectors and the market capitalisation spectrum. The overall positioning was cautious given the Brexit-related uncertainty hanging over the UK economy and the vulnerability of the underlying government bond market to rising inflation and earlier-than-expected hikes in interest rates. In sector terms, the Fund was overweight in telecoms, a sector which we felt was ripe for consolidation, as well as financials and corporate hybrids. We were underweight consumer cyclical goods, health care, oil & gas and utilities. In US high-yield, having noted the weaker performance of higher-quality bonds, we switched some exposure into the BB-rated sector. We also added some broad exposure to the sterling market after the sell-off in the first half of 2018. In euros, we bought a number of new deals including the data provider Refinitiv.

Outlook
With little intrinsic value on offer, the market's potential to offer excess returns over government bonds is modest. Absolute performance is under pressure from rising government bond yields as interest rates continue to be raised in the US and as global inflationary pressures build on the back of more expensive oil and tighter labour markets. The ongoing health of companies' balance sheets and the prospect of tighter supply should nevertheless provide a backstop to the market. The global economy is on a reasonably firm footing and the US is firing on all cylinders. Even the UK, which is blighted by Brexit uncertainty, continues to show surprising resilience. On balance, however, we remain cautious.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 168 and 169 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
UK Treasury 4.50% 07/12/2042	UK Treasury 4.50% 07/12/2042
UK Treasury 4.75% 07/12/2038	UK Treasury 5.00% 07/03/2025
Virgin Media Secured Finance 5.00% 15/04/2027	UK Treasury 4.75% 07/12/2038
Verizon Communications 2.88% 15/01/2038	Goldman Sachs Group 3.00% 26/04/2022
Bank of America, FRN 1.66% 25/04/2028	Bank of America, FRN 2.88% 24/04/2023
Citigroup, FRN 1.5% 24/07/2026	Virgin Media Secured Finance 5.50% 15/01/2025
Anglian Water Osprey Financing 4.00% 08/03/2026	Bank of America, FRN 1.66% 25/04/2028
Equinix, REIT 2.88% 01/02/2026	Anglian Water Osprey Financing 7.00% 31/01/2018
Telenet Finance Luxembourg Notes 3.50% 01/03/2028	Matalan Finance 6.87% 01/06/2019

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	51.95	51.91	49.48
Return before operating charges†	(0.22)	2.54	5.16
Operating charges	(0.49)	(0.52)	(0.51)
Return after operating charges†	(0.71)	2.02	4.65
Distributions	(2.00)	(1.98)	(2.22)
Closing net asset value per share	49.24	51.95	51.91
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.37)%	3.89%	9.40%
Other information			
Closing net asset value (£000)	215,841	214,016	226,802
Closing number of shares	438,361,268	411,985,210	436,887,377
Operating charges (%)‡	0.95%	1.00%	1.00%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	52.52	53.19	53.79
Lowest share price	49.46	50.99	48.21

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	78.19	78.14	74.47
Return before operating charges†	(0.33)	3.83	7.79
Operating charges	(0.49)	(0.50)	(0.49)
Return after operating charges†	(0.82)	3.33	7.30
Distributions	(3.26)	(3.28)	(3.63)
Closing net asset value per share	74.11	78.19	78.14
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.05)%	4.26%	9.80%
Other information			
Closing net asset value (£000)	95,834	118,974	79,937
Closing number of shares	129,313,727	152,167,678	102,304,849
Operating charges (%)‡	0.63%	0.64%	0.64%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	79.07	79.98	80.88
Lowest share price	74.45	76.72	72.52

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	106.99	106.92	101.91
Return before operating charges†	(0.45)	5.24	10.64
Operating charges	(0.35)	(0.36)	(0.35)
Return after operating charges†	(0.80)	4.88	10.29
Distributions	(4.78)	(4.81)	(5.28)
Closing net asset value per share	101.41	106.99	106.92
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.75)%	4.56%	10.10%
Other information			
Closing net asset value (£000)	46,542	52,896	54,266
Closing number of shares	45,895,814	49,442,495	50,754,821
Operating charges (%)‡	0.33%	0.34%	0.34%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	108.21	109.47	110.69
Lowest share price	101.89	104.99	99.23

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Income shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	58.06	58.02	55.30
Return before operating charges†	(56.47)	2.83	5.78
Operating charges	(0.51)	(0.80)	(0.79)
Return after operating charges†	(56.98)	2.03	4.99
Distributions	(1.08)	(1.99)	(2.27)
Closing net asset value per share	–	58.06	58.02
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	–	3.50%	9.02%
Other information			
Closing net asset value (£000)	–	28,059	27,271
Closing number of shares	–	48,327,113	47,001,773
Operating charges (%)‡	1.38%	1.39%	1.39%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	58.69	59.44	60.10
Lowest share price	56.31	56.97	53.88

§ The share class was closed on 1 June 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.87%**	1.00%
Class 2	0.62%	0.64%
Class 3	0.32%	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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 1.00%. Please see the Prospectus for full details.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 8.71% (8.47%)				
Aviva Investors Emerging Markets Bond Fund Class Zqh, Income shares, EUR†	EUR	38,973	31,213	8.71
Collective Investment Schemes total			**31,213**	**8.71**
Equities 0.17% (0.24%)				
Ireland 0.17% (0.24%)				
Independent News & Media	EUR	10,595,433	606	0.17
			606	0.17
Equities total			**606**	**0.17**
Government Bonds 8.30% (7.09%)				
United Kingdom 8.30% (7.09%)				
UK Treasury 4.75% 07/12/2038	GBP	10,000,000	14,634	4.09
UK Treasury 4.50% 07/12/2042	GBP	9,000,000	13,270	3.70
UK Treasury 3.50% 22/01/2045	GBP	1,400,000	1,813	0.51
			29,717	8.30
Government Bonds total			**29,717**	**8.30**
Corporate Bonds 76.61% (83.81%)				
Australia 0.00% (0.46%)				
France 5.23% (4.12%)				
Altice France 5.88% 01/02/2027	EUR	1,754,000	1,622	0.45
AXA, FRN 5.63% 16/01/2054	GBP	4,000,000	4,172	1.17
BNP Paribas, FRN 7.00% Perpetual	USD	1,966,000	1,476	0.41
Electricite de France 6.13% 02/06/2034	GBP	3,800,000	4,989	1.39
Electricite de France, FRN 6.00% Perpetual	GBP	2,400,000	2,411	0.67
Orange, FRN 5.88% Perpetual	GBP	1,693,000	1,808	0.51
PSA Tresorerie GIE 6.00% 19/09/2033	EUR	2,000,000	2,256	0.63
			18,734	5.23
Germany 0.97% (1.08%)				
Unitymedia Hessen 4.63% 15/02/2026	EUR	3,647,700	3,475	0.97
			3,475	0.97
Ireland 0.47% (0.00%)				
GE Capital UK Funding 5.88% 18/01/2033	GBP	720,000	906	0.25
GE Capital UK Funding 8.00% 14/01/2039	GBP	500,000	784	0.22
			1,690	0.47
Italy 2.97% (4.05%)				
Enel, FRN 8.75% 24/09/2073	USD	4,000,000	3,295	0.92
Telecom Italia 5.88% 19/05/2023	GBP	4,800,000	5,166	1.44
Telecom Italia 2.38% 12/10/2027	EUR	2,725,000	2,172	0.61
			10,633	2.97
Japan 0.55% (1.09%)				
SoftBank Group 4.00% 19/09/2029	EUR	2,500,000	1,957	0.55
			1,957	0.55
Jersey 5.51% (4.43%)				
AA Bond 5.50% 31/07/2043	GBP	4,800,000	4,389	1.22
Adient Global Holdings 3.50% 15/08/2024	EUR	5,000,000	3,928	1.10
Avis Budget Finance 4.75% 30/01/2026	EUR	3,067,000	2,672	0.75
CPUK Finance 4.88% 28/02/2047	GBP	765,000	762	0.21
Gatwick Funding 5.25% 23/01/2026	GBP	3,000,000	3,422	0.95
Heathrow Funding 7.13% 14/02/2024	GBP	3,770,000	4,579	1.28
			19,752	5.51

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Luxembourg 1.10% (2.73%)				
Altice Finco 4.75% 15/01/2028	EUR	1,375,000	1,017	0.29
Galapagos Holding 7.00% 15/06/2022	EUR	3,000,000	1,314	0.37
LSF9 Balta Issuer 7.75% 15/09/2022	EUR	1,781,190	1,590	0.44
			3,921	1.10
Mexico 2.02% (2.30%)				
America Movil 4.38% 07/08/2041	GBP	3,000,000	3,363	0.94
America Movil, FRN 6.37% 06/09/2073	GBP	3,647,000	3,861	1.08
			7,224	2.02
Netherlands 3.94% (4.14%)				
Enel Finance International 5.75% 14/09/2040	GBP	1,500,000	1,832	0.51
Energizer Gamma Acquisition 4.63% 15/07/2026	EUR	1,774,000	1,618	0.45
Koninklijke KPN, FRN 6.88% 14/03/2073	GBP	2,500,000	2,632	0.74
Telefonica Europe, FRN 6.75% Perpetual	GBP	5,500,000	5,882	1.64
Volkswagen International Finance, FRN 4.62% Perpetual	EUR	2,500,000	2,142	0.60
			14,106	3.94
Switzerland 1.37% (0.60%)				
Credit Suisse Group, FRN 2.13% 12/09/2025	GBP	2,006,000	1,912	0.53
UBS Group Funding Switzerland, FRN 6.87% Perpetual	USD	4,000,000	3,010	0.84
			4,922	1.37
United Kingdom 41.08% (40.13%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	3,688,000	3,425	0.96
Annington Funding 2.65% 12/07/2025	GBP	3,832,000	3,757	1.05
Aviva, FRN 6.88% 20/05/2058†	GBP	4,000,000	4,639	1.29
Barclays 3.25% 12/02/2027	GBP	3,054,000	2,958	0.83
Barclays Bank 10.00% 21/05/2021	GBP	5,000,000	5,901	1.65
Barclays Bank, FRN 14.00% Perpetual	GBP	3,300,000	3,542	0.99
Debenhams 5.25% 15/07/2021	GBP	1,354,000	961	0.27
DS Smith 2.88% 26/07/2029	GBP	2,675,000	2,541	0.71
Eversholt Funding 6.70% 22/02/2035	GBP	3,000,000	3,761	1.05
First Hydro Finance 9.00% 31/07/2021	GBP	4,000,000	4,758	1.33
Firstgroup 6.13% 18/01/2019	GBP	4,000,000	4,044	1.13
Heathrow Finance 3.88% 01/03/2027	GBP	4,700,000	4,456	1.24
House of Fraser Funding, FRN 6.55% 15/09/2020	GBP	953,000	153	0.04
HSBC Holdings 6.75% 11/09/2028	GBP	3,500,000	4,367	1.22
Imperial Brands Finance 9.00% 17/02/2022	GBP	5,500,000	6,701	1.87
Investec Bank 9.63% 17/02/2022	GBP	3,000,000	3,549	0.99
Investec Bank, FRN 4.25% 24/07/2028	GBP	2,520,000	2,461	0.69
Iron Mountain UK 3.88% 15/11/2025	GBP	2,115,000	2,000	0.56
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	2,562,306	3,048	0.85
Kelda Finance No. 3 5.75% 17/02/2020	GBP	4,000,000	4,109	1.15
Keystone Financing 9.50% 15/10/2019	GBP	1,140,684	1,143	0.32
Legal & General Group, FRN 10.00% 23/07/2041	GBP	7,000,000	8,355	2.33
Lloyds Bank, FRN 12.00% Perpetual	USD	5,750,000	5,337	1.49
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	5,000,000	5,673	1.58
New Look Secured Issuer 6.50% 01/07/2022	GBP	3,000,000	1,644	0.46
Newcastle Building Society, FRN 3.85% 23/12/2019	GBP	4,140,000	3,974	1.11
NWEN Finance 5.88% 21/06/2021	GBP	3,000,000	3,179	0.89
Prudential, FRN 11.37% 29/05/2039	GBP	5,000,000	5,297	1.48
Prudential, FRN 5.63% 20/10/2051	GBP	2,342,000	2,364	0.66
RAC Bond 4.57% 06/05/2046	GBP	3,700,000	3,763	1.05
RAC Bond 5.00% 06/05/2046	GBP	2,417,000	2,272	0.63
Saga 3.38% 12/05/2024	GBP	3,000,000	2,815	0.79
Segro, REIT 2.88% 11/10/2037	GBP	4,000,000	3,689	1.03
Spirit Issuer 5.47% 28/12/2034	GBP	4,234,000	4,420	1.23
TES Finance 6.75% 15/07/2020	GBP	3,000,000	2,850	0.79

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 41.08% (40.13%) (continued)				
Tesco Property Finance 3 5.74% 13/04/2040	GBP	2,624,412	3,082	0.86
Thames Water Kemble Finance 7.75% 01/04/2019	GBP	4,000,000	4,097	1.14
Virgin Media Secured Finance 5.00% 15/04/2027	GBP	5,500,000	5,444	1.52
Vodafone Group, FRN 4.87% 03/10/2078	GBP	2,291,000	2,258	0.63
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	3,450,000	4,383	1.22
			147,170	41.08
United States of America 11.40% (18.68%)				
Alliance Data Systems 4.50% 15/03/2022	EUR	5,000,000	4,508	1.26
AT&T 4.38% 14/09/2029	GBP	3,750,000	4,041	1.13
AT&T 4.25% 01/06/2043	GBP	3,509,000	3,575	1.00
Citigroup 4.50% 03/03/2031	GBP	3,600,000	3,897	1.09
Equinix, REIT 2.88% 01/02/2026	EUR	4,051,000	3,491	0.97
Frontier Communications 11.00% 15/09/2025	USD	5,500,000	3,156	0.88
IQVIA 3.50% 15/10/2024	EUR	1,500,000	1,354	0.38
IQVIA 2.88% 15/09/2025	EUR	2,976,000	2,554	0.71
JPMorgan Chase, FRN 4.62% Perpetual	USD	6,000,000	4,233	1.18
Refinitiv US Holdings 4.50% 15/05/2026	EUR	3,333,000	2,928	0.82
Silgan Holdings 3.25% 15/03/2025	EUR	4,000,000	3,621	1.01
Verizon Communications 2.88% 15/01/2038	EUR	4,000,000	3,495	0.97
			40,853	11.40
Corporate Bonds total			**274,437**	**76.61**
Swaps (0.10)% ((0.33)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	29,000,000	(350)	(0.10)
Swaps total			**(350)**	**(0.10)**
Forward Currency Contracts 0.90% ((0.42)%)				
Buy GBP 87,797,457 sell EUR 96,879,300 dated 07/12/2018			2,362	0.66
Buy GBP 38,338,487 sell USD 49,335,000 dated 07/12/2018			983	0.27
Buy USD 12,700,000 sell GBP 9,723,866 dated 07/12/2018			(108)	(0.03)
Forward Currency Contracts total			**3,237**	**0.90**
Futures 0.03% (0.04%)				
Euro-Bund 06/12/2018	EUR	(26)	46	0.01
Euro-Buxl 06/12/2018	EUR	(7)	25	0.01
US Long Bond 19/12/2018	USD	(7)	31	0.01
Futures total			**102**	**0.03**
Liquidity Funds 0.62% (0.41%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	2,200,000	2,200	0.62
Liquidity Funds total			**2,200**	**0.62**
Investment assets (including investment liabilities)			341,162	95.24
Net other assets			17,055	4.76
Net assets			**358,217**	**100.00**

All holdings are ordinary Shares or stock units or debt securities and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(20,332)		353
Revenue	3	18,838		19,676	
Expenses	4	(3,119)		(3,479)	
Net revenue before taxation		15,719		16,197	
Taxation	5	–		–	
Net revenue after taxation			15,719		16,197
Total return before distributions			**(4,613)**		**16,550**
Distributions	6		(15,718)		(16,195)
Change in net assets attributable to shareholders from investment activities			**(20,331)**		**355**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**413,945**		**388,276**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	13,794		57,678	
Amounts payable on cancellation of shares	(49,197)		(32,371)	
		(35,403)		25,307
Change in net assets attributable to shareholders from investment activities (see above)		(20,331)		355
Unclaimed distribution monies		6		7
Closing net assets attributable to shareholders		**358,217**		**413,945**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	341,620	414,253
Current assets:			
Debtors	8	6,261	12,292
Cash and bank balances	9	13,021	3,836
Total assets		**360,902**	**430,381**
Liabilities:			
Investment liabilities	7	(458)	(3,145)
Creditors:			
Bank overdrafts		(10)	–
Distribution payable		(1,537)	(1,808)
Other creditors	10	(680)	(11,483)
Total liabilities		**(2,685)**	**(16,436)**
Net assets attributable to shareholders		**358,217**	**413,945**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency (losses)/gains	(631)	843
Derivative contracts losses	(261)	(725)
Expenses relating to the purchase and sale of investments	(3)	(3)
Forward currency contracts gains	1,052	3,545
Non-derivative securities losses	(20,489)	(3,307)
Net capital (losses)/gains	**(20,332)**	**353**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	–	33
Compensation payment	–	47
Interest on debt securities	17,244	17,936
Interest on derivatives	(106)	(245)
Revenue from offshore funds	1,700	1,905
Total revenue	**18,838**	**19,676**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	2,989	3,256
Registration fees	86	136
	3,075	3,392
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	32	52
Interest payable	13	37
Safe custody fee	23	35
	68	124
Other expenses:		
Audit fee**	8	11
Statement fees	7	14
	15	25
Total expenses	**3,158**	**3,541**
Less those expenses rebated by the ACD	(39)	(62)
Net expenses	**3,119**	**3,479**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,601 (2017: £9,161) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**15,719**	**16,197**
Corporation tax at 20%	3,144	3,239
Effects of:		
Expenses not deductible for tax purposes	–	(10)
Tax deductible on interest distributions	(3,144)	(3,229)
	(3,144)	(3,239)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the six months ended 15 April	7,586	7,301
Gross interest distribution for the five months ended 15 September	6,550	7,112
Gross interest distribution for the one month ended 15 October	1,537	1,808
	15,673	16,221
Add: Revenue deducted on cancellation of shares	84	73
Deduct: Revenue received on issue of shares	(39)	(99)
Total distributions	**15,718**	**16,195**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	15,718	16,195
Equalisation on conversions	(1)	–
Other fees borne by capital account	2	2
Net revenue after taxation	**15,719**	**16,197**

Details of the distributions per share are set out in the distribution tables on pages 181 to 186.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	708	–	1,151	(7)
Level 2: Observable market data	340,912	(458)	413,102	(3,138)
Total value	**341,620**	**(458)**	**414,253**	**(3,145)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	5,621	6,428
Accrued expense fee rebate	–	7
Amounts receivable on issue of shares	379	439
Overseas tax recoverable	113	112
Sales awaiting settlement	148	5,306
Total debtors	**6,261**	**12,292**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	13,021	3,836
Total cash and bank balances	**13,021**	**3,836**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	314	455
Amounts payable for cancellation of shares	366	2,876
Purchases awaiting settlement	–	8,152
Total other creditors	**680**	**11,483**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £314,428 (2017: £388,623). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,777,370 (2017: £2,861,180). The amount outstanding at the year end was £256,951 (2017: £337,170). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £52,600,000 (2017: £14,500,000) and £52,100,000 (2017: £12,800,000) respectively. The income received during the year amounted to £1,987,151 (2017: £2,184,373).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	19,778	19,778	–
ACD and related parties (Class 2 Income shares)	12,908,868	(8,163,324)	21,072,192
ACD and related parties (Class 3 Income shares)	45,893,854	(3,548,641)	49,442,495
ACD and related parties (Class A Income shares)	–	(5,055,989)	5,055,989

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 and A (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.87%
Class 2: 0.62%
Class 3: 0.32%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 168 and 169. The distributions per share are given in the distribution tables on pages 181 to 186. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	411,985,210	5,677,815	(31,433,768)	52,132,011	438,361,268
Class 2 Income shares	152,167,678	9,424,989	(32,972,044)	693,104	129,313,727
Class 3 Income shares	49,442,495	2,776,946	(6,323,627)	–	45,895,814
Class A Income shares	48,327,113	1,316,805	(2,065,255)	(47,578,663)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, (0.46)% (2017: 0.50%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	17,744	222,969	121,382	362,095
Euro	4,050	47,713	32,688	84,451
US dollar	7,869	19,031	523	27,423
Financial Liabilities				
Sterling	–	–	(2,217)	(2,217)
Euro	7	–	(85,786)	(85,779)
US dollar	(17)	–	(27,739)	(27,756)
Total	**29,653**	**289,713**	**38,851**	**358,217**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	72,291	203,410	145,713	421,414
Euro	4,613	45,192	36,951	86,756
US dollar	28,412	27,902	4,365	60,679
Financial Liabilities				
Sterling	(256)	–	(5,138)	(5,394)
Euro	221	–	(89,394)	(89,173)
US dollar	11	–	(60,348)	(60,337)
Total	**105,292**	**276,504**	**32,149**	**413,945**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £21,513,149 (2017: £24,458,792). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £21,513,149 (2017: £24,458,792). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 95.24% (2017: 99.31%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.52% (2017: 9.93%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts, futures contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	(75)	–	(75)
Goldman Sachs	2,362	–	2,362
JPMorgan	–	102	102
Royal Bank of Scotland	952	–	952
UBS	(2)	–	(2)
Total	**3,237**	**102**	**3,339**

15.10.17	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	17	–	17
Goldman Sachs	(1,053)	–	(1,053)
JPMorgan	–	180	180
Royal Bank of Canada	(21)	–	(21)
Royal Bank of Scotland	12	–	12
Société Générale	(682)	–	(682)
Total	**(1,727)**	**180**	**(1,547)**

The counterparty exposure on forward currency contracts is reported at their mark to market values but for future contracts and credit default swaps it is only the positive mark to market values that are reported.

Collateral

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2017: £nil).

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	159,325	185,584	44.48%	44.83%
Below investment grade securities	131,436	181,479	36.69%	43.84%
Unrated securities	13,393	9,231	3.74%	2.23%
Total debt securities	**304,154**	**376,294**	**84.91%**	**90.90%**

The Fund invests in credit default swaps to adjust the credit risk profile of the Fund. The notional exposure of these swaps has been included in the above table.

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £180,547,062 (2017: £178,638,291) and the total sales amounted to £235,214,550 (2017: £126,079,123).

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.70% (2017: 0.59%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 14 November 2018	Final distribution paid 14 November 2017
Class 1 Income shares	Group 1	0.2061	–	0.2061	0.2188
	Group 2	0.0431	0.1630	0.2061	0.2188
Class 2 Income shares	Group 1	0.3235	–	0.3235	0.3519
	Group 2	0.1587	0.1648	0.3235	0.3519
Class 3 Income shares	Group 1	0.4688	–	0.4688	0.5064
	Group 2	0.0753	0.3935	0.4688	0.5064
Class A Income shares	Group 1	0.0000	–	0.0000	0.2500
	Group 2	0.0000	0.0000	0.0000	0.2500

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 September 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 September 2018.

Interim distribution paid in pence per share for the month ended 15 September 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 October 2018	Interim distribution paid 13 October 2017
Class 1 Income shares	Group 1	0.1900	–	0.1900	0.1413
	Group 2	0.0130	0.1770	0.1900	0.1413
Class 2 Income shares	Group 1	0.2267	–	0.2267	0.2129
	Group 2	0.0922	0.1345	0.2267	0.2129
Class 3 Income shares	Group 1	0.3357	–	0.3357	0.3189
	Group 2	0.0555	0.2802	0.3357	0.3189
Class A Income shares	Group 1	0.0000	–	0.0000	0.1479
	Group 2	0.0000	0.0000	0.0000	0.1479

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 August 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 August 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 August 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 September 2018	Interim distribution paid 14 September 2017
Class 1 Income shares	Group 1	0.1800	–	0.1800	0.2000
	Group 2	0.0000	0.1800	0.1800	0.2000
Class 2 Income shares	Group 1	0.2701	–	0.2701	0.2788
	Group 2	0.1128	0.1573	0.2701	0.2788
Class 3 Income shares	Group 1	0.3977	–	0.3977	0.4100
	Group 2	0.0350	0.3627	0.3977	0.4100
Class A Income shares	Group 1	0.0000	–	0.0000	0.1988
	Group 2	0.0000	0.0000	0.0000	0.1988

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the month ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 August 2018	Interim distribution paid 14 August 2017
Class 1 Income shares	Group 1	0.1700	–	0.1700	0.1875
	Group 2	0.0000	0.1700	0.1700	0.1875
Class 2 Income shares	Group 1	0.3457	–	0.3457	0.3177
	Group 2	0.1813	0.1644	0.3457	0.3177
Class 3 Income shares	Group 1	0.4970	–	0.4970	0.4605
	Group 2	0.1290	0.3680	0.4970	0.4605
Class A Income shares	Group 1	0.0000	–	0.0000	0.1863
	Group 2	0.0000	0.0000	0.0000	0.1863

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 June 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 June 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 June 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 July 2018	Interim distribution paid 14 July 2017
Class 1 Income shares	Group 1	0.1650	–	0.1650	0.1813
	Group 2	0.0075	0.1575	0.1650	0.1813
Class 2 Income shares	Group 1	0.2456	–	0.2456	0.2624
	Group 2	0.1111	0.1345	0.2456	0.2624
Class 3 Income shares	Group 1	0.3626	–	0.3626	0.3867
	Group 2	0.0631	0.2995	0.3626	0.3867
Class A Income shares	Group 1	0.0000	–	0.0000	0.1800
	Group 2	0.0000	0.0000	0.0000	0.1800

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 May 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 May 2018.

Interim distribution paid in pence per share for the month ended 15 May 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 June 2018	Interim distribution paid 14 June 2017
Class 1 Income shares	Group 1	0.1650	–	0.1650	0.1813
	Group 2	0.0000	0.1650	0.1650	0.1813
Class 2 Income shares	Group 1	0.2389	–	0.2389	0.2484
	Group 2	0.1174	0.1215	0.2389	0.2484
Class 3 Income shares	Group 1	0.3545	–	0.3545	0.3685
	Group 2	0.0405	0.3140	0.3545	0.3685
Class A Income shares	Group 1	0.1640	–	0.1640	0.1800
	Group 2	0.0327	0.1313	0.1640	0.1800

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 May 2018	Interim distribution paid 12 May 2017
Class 1 Income shares	Group 1	0.1550	–	0.1550	0.1400
	Group 2	0.0000	0.1550	0.1550	0.1400
Class 2 Income shares	Group 1	0.3229	–	0.3229	0.2978
	Group 2	0.1568	0.1661	0.3229	0.2978
Class 3 Income shares	Group 1	0.4669	–	0.4669	0.4331
	Group 2	0.1395	0.3274	0.4669	0.4331
Class A Income shares	Group 1	0.1540	–	0.1540	0.1390
	Group 2	0.0411	0.1129	0.1540	0.1390

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 March 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 March 2018.

Interim distribution paid in pence per share for the month ended 15 March 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 April 2018	Interim distribution paid 13 April 2017
Class 1 Income shares	Group 1	0.1550	–	0.1550	0.1350
	Group 2	0.0043	0.1507	0.1550	0.1350
Class 2 Income shares	Group 1	0.2236	–	0.2236	0.2508
	Group 2	0.0919	0.1317	0.2236	0.2508
Class 3 Income shares	Group 1	0.3303	–	0.3303	0.3678
	Group 2	0.0419	0.2884	0.3303	0.3678
Class A Income shares	Group 1	0.1540	–	0.1540	0.1300
	Group 2	0.0206	0.1334	0.1540	0.1300

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 February 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 February 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 February 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 March 2018	Interim distribution paid 14 March 2017
Class 1 Income shares	Group 1	0.1700	–	0.1700	0.1300
	Group 2	0.0000	0.1700	0.1700	0.1300
Class 2 Income shares	Group 1	0.2285	–	0.2285	0.1987
	Group 2	0.1196	0.1089	0.2285	0.1987
Class 3 Income shares	Group 1	0.3399	–	0.3399	0.2949
	Group 2	0.0544	0.2855	0.3399	0.2949
Class A Income shares	Group 1	0.1690	–	0.1690	0.1300
	Group 2	0.0144	0.1546	0.1690	0.1300

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the month ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 February 2018	Interim distribution paid 14 February 2017
Class 1 Income shares	Group 1	0.1550	–	0.1550	0.1225
	Group 2	0.0000	0.1550	0.1550	0.1225
Class 2 Income shares	Group 1	0.3422	–	0.3422	0.2684
	Group 2	0.1248	0.2174	0.3422	0.2684
Class 3 Income shares	Group 1	0.4956	–	0.4956	0.3875
	Group 2	0.1072	0.3884	0.4956	0.3875
Class A Income shares	Group 1	0.1540	–	0.1540	0.1100
	Group 2	0.0000	0.1540	0.1540	0.1100

Interim distribution

Group 1 shares are those shares purchased at or before 9am on 15 December 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 December 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 December 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 January 2018	Interim distribution paid 14 January 2017
Class 1 Income shares	Group 1	0.1320	–	0.1320	0.1200
	Group 2	0.0037	0.1283	0.1320	0.1200
Class 2 Income shares	Group 1	0.2137	–	0.2137	0.1804
	Group 2	0.1103	0.1034	0.2137	0.1804
Class 3 Income shares	Group 1	0.3189	–	0.3189	0.2674
	Group 2	0.0673	0.2516	0.3189	0.2674
Class A Income shares	Group 1	0.1300	–	0.1300	0.1100
	Group 2	0.0461	0.0839	0.1300	0.1100

Interim distribution

Group 1 shares are those shares purchased at or before 9am on 15 November 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 November 2017.

Interim distribution paid in pence per share for the month ended 15 November 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 14 December 2017	Interim distribution paid 14 December 2016
Class 1 Income shares	Group 1	0.1550	–	0.1550	0.1000
	Group 2	0.0000	0.1550	0.1550	0.1000
Class 2 Income shares	Group 1	0.2757	–	0.2757	0.1994
	Group 2	0.0927	0.1830	0.2757	0.1994
Class 3 Income shares	Group 1	0.4091	–	0.4091	0.2950
	Group 2	0.0830	0.3261	0.4091	0.2950
Class A Income shares	Group 1	0.1540	–	0.1540	0.1100
	Group 2	0.0322	0.1218	0.1540	0.1100

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS GLOBAL EQUITY ENDURANCE FUND

The Fund launched on 19 December 2017.

INVESTMENT OBJECTIVE

Long term capital appreciation.

INVESTMENT POLICY

The Fund will invest directly or indirectly in shares and may also invest in any of the following: units in collective investment schemes (including those operated or managed by Aviva Investors), money market instruments and deposits. Derivatives (complex financial instruments whose value is linked to the expected price movements of an underlying asset) may be used to reduce risk and/or for the efficient management of the Fund.

FUND MANAGER'S REPORT

Performance

Over the period starting 19 December 2017 (date of launch) to the 15 October 2018, the Fund (share class 6) delivered a total return of -1.84 per cent net of fees. The Fund's benchmark, the MSCI World index, returned 1.51 per cent. The sector average return generated by the fund's peer group, the Investment Association's Global sector was -0.98 per cent.

Review

During the period under review equity markets moved sideways overall, only rising slightly in sterling terms thanks to a modest devaluation in the currency as overseas earnings are worth more in when translated back into pounds to the UK-based investor. Yet the tone at the beginning of the period was very different to that at the close.

2018 opened with a high level of optimism on the part of investors. Global equities had just risen for a fourteenth consecutive month in December, surely qualifying as a melt-up. Stock indices are sparse prior to the 1970s, but the S&P 500 also delivered a fourteenth consecutive month of positive returns representing the longest ever winning streak with data going back over 90 years. These strong returns had been fuelled by corporate earnings. The pattern since the financial crisis was for the market consensus to consistently look for low double-digit growth in profits only to have these hopes confounded throughout the course of the year by a succession of disappointments. However in 2017 that rarest of birds appeared: synchronised global growth. Analyst expectations were not only met, but exceeded, causing earnings to be revised upwards rather than down.

Behind the scenes, however, the Federal Reserve had steadily been raising interest rates, beginning in December 2015. Since the worth of any asset is the present value of the cash that it produces in future, changes in the cost of money act as financial 'gravity'. All else equal, a higher interest rate means that equities – which represent a claim on a long-dated stream of cashflows – are worth less. In February, the stock market began to take notice and registered an abrupt decline. Shortly afterwards the Chinese economy began to slow and a populist shift in Italian politics reawakened the debate over the existential future of the eurozone. Markets steadied throughout the spring, rose in the summer to almost recoup their prior high, but ended the period under review with a sharp decline in the autumn.

The fund posted a negative total return over the review period behind that of global equities. Losses on tobacco stocks Philip Morris International and British American Tobacco dominated returns. The combined position was almost 10% of the fund's net asset value at the beginning of the period and the stocks went on to decline 16% and 30% respectively.

Tobacco is undergoing the biggest innovation since the invention of the machined paper cigarette in the nineteenth-century. There are two main families of new technologies. Heat-not-burn involves heating tobacco leaf either in a device or with a carbon-tipped stick to the point at which nicotine is delivered without combusting. Vapour delivers nicotine by heating a liquid to generate an aerosol.

Heat-not-burn has been around in various forms since the 1980s but has struggled to gain consumer acceptance. This changed with the successful 2014 launch of iQOS by Philip Morris; today the category has a 20% market share in Japan and is expanding worldwide. Conventional cigarettes are rightly thought to be a wonderfully profitable industry. But the category economics of heat-not-burn look to be superior. First, they cost a similar amount to manufacture but are priced in-line with premium cigarettes, causing uptrading as smokers switch from economy brands. Second, lower rates of excise tax paid to governments increases the portion that goes to manufacturers. Third, pricing power is higher as consumers are less likely to downtrade back to conventional cigarettes. Fourth, overall volumes should decline less quickly as the diminished health risks lower the incentive to quit or reduce consumption. Margins may be visibly lower in the reported financial statements but the absolute industry profit pool will increase and the cashflows extend out further in time.

The implications of vapour are less clear. As the technology is only a decade old it has yet to standardise around a compelling format. So far, users appear to spend less consuming more nicotine with governments taking less tax but more competition between manufacturers. Yet crucially, vapour has appealed generally to non-smokers or those smokers who were going to reduce their consumption anyway. Thus, whatever profit occurs in vapour is mostly incremental to the legacy tobacco profits.

What would cause us to pull up stumps? A price war in combustible cigarettes; aggressive discounting of heat-not-burn consumable sticks by the majors; material numbers of smokers switching to nicotine vapour coupled with proven success of non-major vapour competition. Whilst the recent share price declines in tobacco stocks are not to be dismissed lightly, none of these factors is in evidence, and we believe the investments are early, not wrong. We have maintained our holdings in Philip Morris and British American Tobacco, and recently began to add to these positions.

AVIVA INVESTORS GLOBAL EQUITY ENDURANCE FUND (CONTINUED)

Outlook

'Uncertainty' has become something of a financial trope to describe the market outlook, its use typically spiking alongside price volatility. Our view is that the future is always uncertain; the volatility is a reminder that whatever prior certainty one may have had about it was misplaced. The above notwithstanding, we believe this is the most uncertain stock market environment since the 2011/2012 eurozone debt crisis. Has the rate of earnings growth peaked, in which case markets will eventually recover their poise, or has the absolute level of earnings peaked, in which case 2018 will in hindsight have marked a multi-year top for equities? The US Treasury bond market is among the best lead indicators. In a normal environment a sovereign bond yield curve slopes upwards, reflecting investors' preference for more liquid, shorter-maturity investments. But when animal spirits subside, they can often 'invert' as investors start to anticipate cuts in interest rates. Economists debate the exact mechanism by which an inverted yield curve feeds back into the real economy. But history shows an inverted yield curve has preceded every US recession in the last sixty years, with only one false signal. Today, while the US yield curve has not inverted it is the flattest it has been since 2007, but encouragingly it has steepened during the autumn selloff.

We began to sell equities in early October before the recent decline and ended the period with approximately 6% of the fund in cash. In terms of overall positioning, the fund is currently tilted towards more classically "defensive" businesses than the corporate average. Many of our holdings such as tobacco, consumer products or professional services were once bracketed as "bond proxies", but given their low valuation multiples and the pricing power of the companies we believe that this collection of stocks offers the potential for upside irrespective of the economic environment whilst mitigating the downside risk.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 189 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
Unilever	Nestle
British American Tobacco	Amphenol 'A'
Heineken	Church & Dwight
Nestle	Henkel Preference
Berkshire Hathaway 'A'	Service Corp. International
Equifax	Reckitt Benckiser Group
Assa Abloy 'B'	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Becton Dickinson	Novo Nordisk 'B'
L'Oreal	Zoetis
Zoetis	3M

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'.
- 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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial period Class 2 Accumulation shares	2018§ p per share
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges†	(1.77)
Operating charges	(0.75)
Return after operating charges†	(2.52)
Distributions	(0.82)
Retained distributions on accumulation shares	0.82
Closing net asset value per share	97.48
† after direct transaction costs of	(0.22)
Performance	
Return after charges (%)	(2.52)%
Other information	
Closing net asset value (£000)	223
Closing number of shares	229,086
Operating charges (%)‡	0.91%
Direct transaction costs (%)#	0.22%
Prices≈	
Highest share price	107.64
Lowest share price	90.18

Financial period Class 3 Accumulation shares	2018§ p per share
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges†	(1.83)
Operating charges	(0.37)
Return after operating charges†	(2.20)
Distributions	(1.15)
Retained distributions on accumulation shares	1.15
Closing net asset value per share	97.80
† after direct transaction costs of	(0.22)
Performance	
Return after charges (%)	(2.20)%
Other information	
Closing net asset value (£000)	206,107
Closing number of shares	210,748,032
Operating charges (%)‡	0.45%
Direct transaction costs (%)#	0.22%
Prices≈	
Highest share price	107.94
Lowest share price	90.25

Financial period Class 6 Accumulation shares	2018§ p per share
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges†	(1.75)
Operating charges	(0.98)
Return after operating charges†	(2.73)
Distributions	(0.61)
Retained distributions on accumulation shares	0.61
Closing net asset value per share	97.27
† after direct transaction costs of	(0.23)
Performance	
Return after charges (%)	(2.73)%
Other information	
Closing net asset value (£000)	24
Closing number of shares	24,506
Operating charges (%)‡	1.16%
Direct transaction costs (%)#	0.22%
Prices≈	
Highest share price	107.44
Lowest share price	90.10

§ This share class was launched on 19 December 2017.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

§ The Fund launched on 19 December 2017.

Ongoing Charges Figure*

Share class	19.12.17 to 15.10.18
Class 2	0.92%
Class 3	0.47%
Class 6	1.17%

* 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 Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 93.75%				
Finland 2.80%				
Kone 'B'	EUR	160,000	5,774	2.80
			5,774	2.80
France 2.84%				
L'Oreal	EUR	36,500	5,851	2.84
			5,851	2.84
Netherlands 9.38%				
Heineken	EUR	139,000	9,243	4.48
Wolters Kluwer	EUR	235,000	10,114	4.90
			19,357	9.38
South Africa 1.24%				
Bid	ZAR	180,000	2,559	1.24
			2,559	1.24
Sweden 4.56%				
Assa Abloy 'B'	SEK	659,000	9,402	4.56
			9,402	4.56
United Kingdom 19.01%				
British American Tobacco	GBP	256,000	8,378	4.06
London Stock Exchange Group	GBP	89,000	3,620	1.75
RELX	EUR	470,000	7,023	3.40
RELX	GBP	440,000	6,580	3.19
Unilever	GBP	346,000	13,638	6.61
			39,239	19.01
United States of America 53.92%				
Abbott Laboratories	USD	107,000	5,630	2.73
Alphabet 'A'	USD	800	680	0.33
Alphabet 'C'	USD	10,400	8,762	4.25
Becton Dickinson	USD	60,000	11,048	5.35
Berkshire Hathaway 'A'	USD	48	11,293	5.47
Berkshire Hathaway 'B'	USD	15,900	2,493	1.21
Danaher	USD	90,000	7,059	3.42
Elanco Animal Health	USD	5,117	127	0.06
Equifax	USD	116,850	10,911	5.29
Jack Henry & Associates	USD	49,000	5,581	2.70
Mastercard 'A'	USD	29,000	4,489	2.17
Microsoft	USD	35,700	2,968	1.44
Mohawk Industries	USD	10,757	1,275	0.62
Moody's	USD	56,667	6,707	3.25
Ollie's Bargain Outlet Holdings	USD	21,000	1,402	0.68
Philip Morris International	USD	113,000	7,055	3.42
S&P Global	USD	36,000	5,095	2.47
Sherwin-Williams	USD	24,901	7,692	3.73
Visa 'A'	USD	42,000	4,463	2.16
Zoetis	USD	97,000	6,545	3.17
			111,275	53.92
Equities total			**193,457**	**93.75**
Investment assets			193,457	93.75
Net other assets			12,897	6.25
Net assets			**206,354**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.

STATEMENT OF TOTAL RETURN

For the period from 19 December 2017 to 15 October 2018

	Note	£000	Period ended 15.10.18* £000
Income			
Net capital losses	2		(7,035)
Revenue	3	3,567	
Expenses	4	(739)	
Net revenue before taxation		2,828	
Taxation	5	(451)	
Net revenue after taxation			2,377
Total return before distributions			**(4,658)**
Distributions	6		(2,377)
Change in net assets attributable to shareholders from investment activities			**(7,035)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period from 19 December 2017 to 15 October 2018

	£000	Period ended 15.10.18* £000
Opening net assets attributable to shareholders		–
Movement due to issue and cancellation of shares:		
Amounts receivable on issue of shares	210,731	
Amounts payable on cancellation of shares	(12)	
		210,719
Dilution adjustment		236
Change in net assets attributable to shareholders from investment activities (see above)		(7,035)
Retained distribution on accumulation shares		2,434
Closing net assets attributable to shareholders		**206,354**

* Fund launched on 19 December 2017.

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18* £000
Assets:		
Investments	7	193,457
Current assets:		
Debtors	8	5,506
Cash and bank balances	9	13,790
Total assets		**212,753**
Liabilities:		
Creditors:		
Bank overdrafts		(329)
Other creditors	10	(6,070)
Total liabilities		**(6,399)**
Net assets attributable to shareholders		**206,354**

* Fund launched on 19 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Period ended 15.10.18§ £000
Net capital losses on investments during the period comprise:	
Currency losses	(291)
Derivative contracts gains	176
Expenses relating to the purchase and sale of investments	(4)
Non-derivative securities losses	(6,916)
Net capital losses	**(7,035)**

3 Revenue

	Period ended 15.10.18§ £000
Interest on debt securities	2
Overseas dividends	2,606
UK dividends	959
Total revenue	**3,567**

4 Expenses

	Period ended 15.10.18§ £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:	
ACD's periodic charge/Fund Management Fee*	706
	706
Payable to the Depositary, associates of the Depositary or agents of either of them:	
Depositary's fee	11
Interest payable	6
Safe custody fee	8
	25
Other expenses:	
Audit fee**	6
Statement fees	2
	8
Total expenses	**739**

§ Fund launched on 19 December 2017.

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,601 net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Period ended 15.10.18§ £000
Overseas tax suffered	451
Total current tax (see note 5b)	**451**

b Factors affecting current tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%).

The differences are explained below:

	Period ended 15.10.18§ £000
Net revenue before taxation	**2,828**
Corporation tax at 20%	566
Effects of:	
UK dividends not subject to corporation tax	(192)
Overseas dividends not subject to corporation tax	(522)
Irrecoverable overseas withholding tax	451
Movement in excess management expenses	147
Tax credit on Loan relationship deficit	1
	(115)
Current tax charge (see note 5a)	**451**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

At the balance sheet date, there is a potential deferred tax asset of £146,597 in respect of unutilised management expenses of £732,985. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the period.

6 Distributions

	Period ended 15.10.18§ £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:	
Final distribution	2,434
	2,434
Deduct: Revenue received on issue of shares	(57)
Total distributions	**2,377**

Details of the distributions per share are set out in the distribution tables on page 199.

§ Fund launched on 19 December 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	As at 15.10.18 £000
Level 1: Quoted prices	193,457
Total value	**193,457**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000
Accrued revenue	158
Overseas tax recoverable	81
Sales awaiting settlement	5,267
Total debtors	**5,506**

9 Cash and bank balances

	As at 15.10.18 £000
Cash and bank balances	13,790
Total cash and bank balances	**13,790**

10 Other creditors

	As at 15.10.18 £000
Accrued expenses	118
Amounts payable for cancellation of shares	9
Purchases awaiting settlement	5,943
Total other creditors	**6,070**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the period end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the period end in respect of ACD periodic charges/Fund Management Fee was £118,165. Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,431,620. The amount outstanding at the period end was £2,431,620. Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 2 Accumulation shares)	1,179	1,179	–
ACD and related parties (Class 3 Accumulation shares)	210,748,032	210,748,032	–

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 6 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee are as follows:

Class 2: 0.92%
Class 3: 0.47%
Class 6: 1.17%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 189. The distributions per share are given in the distribution tables on page 199. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 18.12.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 2 Accumulation shares	–	241,195	(12,109)	–	229,086
Class 3 Accumulation shares	–	210,748,037	(5)	–	210,748,032
Class 6 Accumulation shares	–	24,511	(5)	–	24,506

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values.

Currency risk

At the period end date, 83.72% of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 8.37%.

	Net foreign currency assets		
	Monetary exposure £000	Non-monetary exposure £000	Total £000
Currency	15.10.18	15.10.18	15.10.18
Danish krone	652	–	652
Euro	(355)	38,005	37,650
South African rand	(196)	2,559	2,363
Swedish krona	9	9,402	9,411
US dollar	11,402	111,275	122,677

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the period end date 6.52% of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

Market price risk

At the period end date, 93.75% of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.38%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commission £000	Taxes £000	Total after costs £000	Commission as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(275,172)	(45)	(370)	(275,586)	0.02%	0.13%
Funds	(6,800)	–	–	(6,800)	0.00%	0.00%
	(281,972)	(45)	(370)	(282,386)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	75,230	(16)	(1)	75,214	0.02%	0.00%
Funds	6,800	–	–	6,800	0.00%	0.00%
	82,030	(16)	(1)	82,014		
Total		(61)	(371)			
Percentage of Fund average net assets		0.03%	0.19%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.03%. This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end.

DISTRIBUTION TABLES

Final distribution payable in pence per share for the year ended 15 October 2018

Accumulation shares		Gross revenue	Equalisation	Final distribution paid 15 December 2018
Class 2 Accumulation shares	Group 1	0.8227	–	0.8227
	Group 2	0.4476	0.3751	0.8227
Class 3 Accumulation shares	Group 1	1.1538	–	1.1538
	Group 2	1.1273	0.0265	1.1538
Class 6 Accumulation shares	Group 1	0.6145	–	0.6145
	Group 2	0.1161	0.4984	0.6145

Final distribution
Group 1 shares are those shares purchased at 12:00 noon on 19 December 2017.
Group 2 shares are those shares purchased after 12:00 noon on 19 December 2017.

Equalisation
Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -1.87 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Strategic Bond sector, generated a net return of -0.68 per cent.

Review
Performance versus the sector was hurt by the Fund having a higher sensitivity to changes in interest rates than many of its peers and a lower exposure to high-yield bonds, which performed well. With higher-quality bonds underperforming, exposure to sovereign and supra-national issues also detracted. At the sector level, exposure to insurance credits was disappointing, with AXA suffering weakness as its finances were stretched by its $15 billion takeover of XL. Holding financial credits also hurt performance as trade war concerns escalated. The Fund suffered from owning longer-dated credits such as Verizon and AT&T, which suffered in an environment of rising yields. However, the general avoidance of emerging markets contributed positively. In terms of individual credits, supermarket Tesco contributed well after it bought back bonds from the market at a premium. Exposure to Unity Media and a new deal by Prudential also supported performance. However, this was offset by weak performance by roadside-assistance company AA, whose profitability was dented by a spike in callouts.

During the period, the Fund was broadly diversified across sectors and the market capitalisation spectrum. The overall positioning was cautious given the Brexit-related uncertainty hanging over the UK economy and the vulnerability of the underlying government bond market to rising inflation and earlier-than-expected hikes in interest rates. In sector terms, the Fund was overweight in telecoms –a sector which we felt was ripe for consolidation – as well as financials and corporate hybrids. We were underweight consumer cyclical goods, health care, oil & gas and utilities. In US high yield, having noted the weaker performance of higher-quality bonds, we switched some exposure into the BB-rated sector. We also added some broad exposure to the sterling market after the sell-off in the first half of 2018. In euros, we bought a number of new deals including financial-data provider Refinitiv.

Outlook
With little intrinsic value on offer, the market's potential to offer excess returns over government bonds is modest. Absolute performance is under pressure from rising government bond yields as interest rates continue to be raised in the US and as global inflationary pressures build on the back of more expensive oil and tighter labour markets. The ongoing health of companies' balance sheets and the prospect of tighter supply should nevertheless provide a backstop to the market. The global economy is on a reasonably firm footing and the US is firing on all cylinders. Even the UK, which is blighted by Brexit uncertainty, continues to show surprising resilience. On balance, however, we remain cautious.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on page 201 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
UK Treasury 4.75% 07/12/2038	UK Treasury 4.75% 07/12/2038
Verizon Communications 2.88% 15/01/2038	Alliance Data Systems 4.50% 15/03/2022
Virgin Media Secured Finance 5.00% 15/04/2027	Goodman Australia Finance, REIT 9.75% 16/07/2018
Anglian Water Osprey Financing 4.00% 08/03/2026	Virgin Media Secured Finance 5.50% 15/01/2025
Telenet Finance Luxembourg Notes 3.50% 01/03/2028	Anglian Water Osprey Financing 7.00% 31/01/2018
HSBC Holdings, FRN 5.88% Perpetual	UPC Holding 6.75% 15/03/2023
HCA 5.25% 15/06/2026	IQVIA 3.50% 15/10/2024
UK Treasury 4.25% 07/03/2036	Verizon Communications 5.50% 16/03/2047
RAC Bond 4.57% 06/05/2046	Horizon Holdings I 7.25% 01/08/2023
AA Bond 5.50% 31/07/2043	UK Treasury 4.50% 07/12/2042

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	53.29	53.10	50.87
Return before operating charges†	(0.38)	2.90	5.19
Operating charges	(0.63)	(0.74)	(0.72)
Return after operating charges†	(1.01)	2.16	4.47
Distributions	(2.19)	(1.97)	(2.24)
Closing net asset value per share	50.09	53.29	53.10
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.90)%	4.07%	8.79%
Other information			
Closing net asset value (£000)	39,426	45,100	48,265
Closing number of shares	78,708,566	84,633,889	90,893,924
Operating charges (%)‡	1.21%	1.40%	1.39%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	53.69	54.29	54.54
Lowest share price	50.34	52.09	48.83

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	79.95	79.67	76.34
Return before operating charges†	(0.57)	4.36	7.77
Operating charges	(0.50)	(0.51)	(0.50)
Return after operating charges†	(1.07)	3.85	7.27
Distributions	(3.72)	(3.57)	(3.94)
Closing net asset value per share	75.16	79.95	79.67
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.34)%	4.83%	9.52%
Other information			
Closing net asset value (£000)	11,228	13,706	13,116
Closing number of shares	14,938,263	17,142,155	16,462,664
Operating charges (%)‡	0.64%	0.65%	0.64%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	80.60	81.46	81.77
Lowest share price	75.49	78.16	73.23

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	107.37	106.99	102.51
Return before operating charges†	(0.76)	5.86	10.44
Operating charges	(0.36)	(0.37)	(0.36)
Return after operating charges†	(1.12)	5.49	10.08
Distributions	(5.32)	(5.11)	(5.60)
Closing net asset value per share	100.93	107.37	106.99
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.04)%	5.13%	9.83%
Other information			
Closing net asset value (£000)	84,319	93,092	92,579
Closing number of shares	83,539,670	86,703,403	86,526,224
Operating charges (%)‡	0.34%	0.35%	0.34%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	108.25	109.42	109.83
Lowest share price	101.40	104.97	98.34

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.87%**	1.40%
Class 2	0.62%	0.65%
Class 3	0.32%	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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 9.61% (9.59%)				
Aviva Investors Emerging Markets Bond Fund Class Zqh, Income shares, EUR†	EUR	16,189	12,966	9.61
Collective Investment Schemes total			**12,966**	**9.61**
Equities 0.05% (0.08%)				
Ireland 0.05% (0.08%)				
Independent News & Media	EUR	1,284,294	74	0.05
			74	0.05
Equities total			**74**	**0.05**
Government Bonds 0.51% (0.56%)				
United Kingdom 0.51% (0.56%)				
UK Treasury 3.50% 22/01/2045	GBP	530,000	686	0.51
			686	0.51
Government Bonds total			**686**	**0.51**
Corporate Bonds 85.83% (90.98%)				
Australia 0.17% (1.30%)				
FMG Resources August 2006 5.13% 15/03/2023	USD	320,000	236	0.17
			236	0.17
Bermuda 0.11% (0.10%)				
Fly Leasing 5.25% 15/10/2024	USD	200,000	147	0.11
			147	0.11
Canada 3.44% (3.63%)				
1011778 BC 4.25% 15/05/2024	USD	320,000	227	0.17
ATS Automation Tooling Systems 6.50% 15/06/2023	USD	250,000	195	0.14
Bausch Health 5.88% 15/05/2023	USD	715,000	523	0.39
Bausch Health 9.00% 15/12/2025	USD	350,000	282	0.21
Bombardier 7.50% 15/03/2025	USD	350,000	269	0.20
Eldorado Gold 6.13% 15/12/2020	USD	420,000	300	0.22
IAMGOLD 7.00% 15/04/2025	USD	520,000	390	0.29
Kinross Gold 4.50% 15/07/2027	USD	1,085,000	733	0.54
Reliance Intermediate Holdings 6.50% 01/04/2023	USD	750,000	591	0.44
Seven Generations Energy 5.38% 30/09/2025	USD	500,000	358	0.26
Teck Resources 6.25% 15/07/2041	USD	1,000,000	779	0.58
			4,647	3.44
Cayman Islands 1.07% (0.95%)				
THPA Finance, Series B 8.24% 15/03/2028	GBP	1,300,000	1,439	1.07
			1,439	1.07
France 3.50% (2.96%)				
Altice France 8.13% 01/02/2027	USD	475,000	365	0.27
AXA, FRN 5.63% 16/01/2054	GBP	1,200,000	1,251	0.93
BNP Paribas, FRN 7.00% Perpetual	USD	724,000	544	0.40
Electricite de France, FRN 6.00% Perpetual	GBP	1,000,000	1,005	0.74
Orange, FRN 5.88% Perpetual	GBP	668,000	713	0.53
PSA Tresorerie GIE 6.00% 19/09/2033	EUR	750,000	846	0.63
			4,724	3.50
Germany 0.64% (1.30%)				
Unitymedia Hessen 4.63% 15/02/2026	EUR	900,000	857	0.64
			857	0.64
Ireland 0.51% (0.00%)				
GE Capital UK Funding 5.88% 18/01/2033	GBP	300,000	378	0.28
GE Capital UK Funding 8.00% 14/01/2039	GBP	200,000	313	0.23
			691	0.51

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Italy 2.38% (3.31%)				
Enel, FRN 8.75% 24/09/2073	USD	1,000,000	824	0.61
Telecom Italia 5.88% 19/05/2023	GBP	1,500,000	1,614	1.20
Telecom Italia 2.38% 12/10/2027	EUR	975,000	777	0.57
			3,215	2.38
Japan 0.70% (1.12%)				
SoftBank Group 4.00% 19/09/2029	EUR	1,200,000	939	0.70
			939	0.70
Jersey 2.00% (1.98%)				
AA Bond 5.50% 31/07/2043	GBP	1,000,000	914	0.68
Adient Global Holdings 4.88% 15/08/2026	USD	410,000	265	0.20
Heathrow Funding 7.13% 14/02/2024	GBP	1,250,000	1,518	1.12
			2,697	2.00
Luxembourg 1.42% (1.79%)				
Altice Finco 4.75% 15/01/2028	EUR	550,000	407	0.30
Altice Luxembourg 7.75% 15/05/2022	USD	625,000	456	0.34
Consolidated Energy Finance 6.88% 15/06/2025	USD	380,000	299	0.22
Intelsat Jackson Holdings 8.00% 15/02/2024	USD	485,000	384	0.28
LHMC Finco Sarl 7.88% 20/12/2023	USD	490,000	377	0.28
			1,923	1.42
Mexico 2.00% (1.98%)				
America Movil 4.38% 07/08/2041	GBP	1,200,000	1,345	1.00
America Movil, FRN 6.37% 06/09/2073	GBP	1,275,000	1,350	1.00
			2,695	2.00
Netherlands 3.15% (3.55%)				
Alpha 3 6.25% 01/02/2025	USD	600,000	443	0.33
Energizer Gamma Acquisition 4.63% 15/07/2026	EUR	665,000	606	0.45
Fiat Chrysler Automobiles 5.25% 15/04/2023	USD	650,000	490	0.37
OCI 6.63% 15/04/2023	USD	225,000	176	0.13
Telefonica Europe, FRN 6.75% Perpetual	GBP	1,100,000	1,176	0.87
Teva Pharmaceutical Finance Netherlands III 2.20% 21/07/2021	USD	500,000	354	0.26
Teva Pharmaceutical Finance Netherlands III 2.80% 21/07/2023	USD	350,000	233	0.17
Volkswagen International Finance, FRN 4.62% Perpetual	EUR	900,000	771	0.57
			4,249	3.15
Supranational 0.42% (0.00%)				
Eagle Intermediate Global Holding 7.50% 01/05/2025	USD	760,000	562	0.42
			562	0.42
Switzerland 0.00% (0.57%)				
United Kingdom 32.83% (31.02%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	1,254,000	1,164	0.86
Annington Funding 2.65% 12/07/2025	GBP	1,438,000	1,410	1.04
Aviva, FRN 6.88% 20/05/2058†	GBP	1,600,000	1,856	1.38
Barclays Bank 10.00% 21/05/2021	GBP	1,750,000	2,065	1.53
DS Smith 2.88% 26/07/2029	GBP	1,000,000	950	0.70
Eversholt Funding 6.70% 22/02/2035	GBP	1,000,000	1,254	0.93
First Hydro Finance 9.00% 31/07/2021	GBP	1,400,000	1,665	1.23
Firstgroup 6.13% 18/01/2019	GBP	1,450,000	1,466	1.09
Heathrow Finance 3.88% 01/03/2027	GBP	1,500,000	1,422	1.05
House of Fraser Funding, FRN 6.55% 15/09/2020	GBP	456,000	73	0.05
HSBC Holdings 6.75% 11/09/2028	GBP	1,400,000	1,747	1.29
HSBC Holdings, FRN 5.88% Perpetual	GBP	1,207,000	1,193	0.88
Imperial Brands Finance 9.00% 17/02/2022	GBP	1,900,000	2,315	1.72
Investec Bank 9.63% 17/02/2022	GBP	1,100,000	1,301	0.96
Investec Bank, FRN 4.25% 24/07/2028	GBP	963,000	941	0.70
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	1,281,153	1,524	1.13
Kelda Finance No. 3 5.75% 17/02/2020	GBP	750,000	771	0.57
Legal & General Group, FRN 10.00% 23/07/2041	GBP	2,000,000	2,387	1.77

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 32.83% (31.02%) (continued)				
Lloyds Bank, FRN 12.00% Perpetual	USD	2,412,000	2,239	1.66
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	1,800,000	2,042	1.51
New Look Secured Issuer 6.50% 01/07/2022	GBP	1,000,000	548	0.41
Newcastle Building Society, FRN 3.85% 23/12/2019	GBP	1,200,000	1,152	0.85
Prudential, FRN 11.37% 29/05/2039	GBP	2,000,000	2,119	1.57
Prudential, FRN 5.63% 20/10/2051	GBP	846,000	854	0.63
RAC Bond 4.57% 06/05/2046	GBP	1,400,000	1,424	1.06
RAC Bond 5.00% 06/05/2046	GBP	846,000	795	0.59
Saga 3.38% 12/05/2024	GBP	1,000,000	938	0.70
Segro, REIT 2.88% 11/10/2037	GBP	1,500,000	1,384	1.03
Tesco Property Finance 3 5.74% 13/04/2040	GBP	874,804	1,027	0.76
Virgin Media Secured Finance 5.25% 15/01/2026	USD	1,000,000	729	0.54
Virgin Media Secured Finance 5.00% 15/04/2027	GBP	1,300,000	1,287	0.95
Vodafone Group, FRN 4.87% 03/10/2078	GBP	891,000	878	0.65
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	1,100,000	1,398	1.04
			44,318	32.83
United States of America 31.49% (35.42%)				
Acadia Healthcare 6.13% 15/03/2021	USD	510,000	388	0.29
AES 4.50% 15/03/2023	USD	240,000	179	0.13
Albertsons 6.63% 15/06/2024	USD	330,000	234	0.17
Alliance Data Systems 5.38% 01/08/2022	USD	700,000	534	0.40
Ally Financial 4.13% 13/02/2022	USD	675,000	501	0.37
Ally Financial 5.75% 20/11/2025	USD	300,000	230	0.17
American Axle & Manufacturing 6.25% 15/03/2026	USD	535,000	388	0.29
Antero Resources 5.13% 01/12/2022	USD	850,000	642	0.48
Ascent Resources Utica Holdings 7.00% 01/11/2026	USD	290,000	213	0.16
Ashtead Capital 4.13% 15/08/2025	USD	320,000	227	0.17
Ashtead Capital 4.38% 15/08/2027	USD	350,000	248	0.18
AT&T 4.25% 01/06/2043	GBP	1,700,000	1,732	1.28
Avis Budget Car Rental 5.13% 01/06/2022	USD	550,000	428	0.32
Ball 4.88% 15/03/2026	USD	350,000	263	0.19
Banff Merger Sub 9.75% 01/09/2026	USD	200,000	151	0.11
Blue Racer Midstream 6.63% 15/07/2026	USD	185,000	143	0.11
Boyd Gaming 6.88% 15/05/2023	USD	55,000	44	0.03
Boyd Gaming 6.38% 01/04/2026	USD	410,000	314	0.23
Brink's 4.63% 15/10/2027	USD	185,000	128	0.09
Bruin E&P Partners 8.88% 01/08/2023	USD	200,000	154	0.11
Caesars Resort Collection 5.25% 15/10/2025	USD	400,000	281	0.21
Calpine 5.75% 15/01/2025	USD	1,000,000	669	0.50
CCO Holdings 5.50% 01/05/2026	USD	1,050,000	778	0.58
Centene 4.75% 15/01/2025	USD	270,000	202	0.15
Centene 5.38% 01/06/2026	USD	125,000	95	0.07
Centennial Resource Production 5.38% 15/01/2026	USD	680,000	507	0.38
Cheniere Energy Partners 5.63% 01/10/2026	USD	325,000	246	0.18
CIT Group 5.00% 15/08/2022	USD	260,000	199	0.15
CIT Group 5.25% 07/03/2025	USD	50,000	38	0.03
Citigroup 4.50% 03/03/2031	GBP	1,500,000	1,624	1.20
Community Health Systems 6.25% 31/03/2023	USD	375,000	263	0.19
Consolidated Communications 6.50% 01/10/2022	USD	95,000	67	0.05
CSC Holdings 6.63% 15/10/2025	USD	215,000	171	0.13
CSC Holdings 5.38% 01/02/2028	USD	600,000	425	0.31
CVR Partners 9.25% 15/06/2023	USD	300,000	241	0.18
DaVita 5.13% 15/07/2024	USD	850,000	610	0.45
DCP Midstream Operating 5.38% 15/07/2025	USD	175,000	134	0.10
Dell International 7.13% 15/06/2024	USD	455,000	366	0.27
Diamond Offshore Drilling 7.88% 15/08/2025	USD	150,000	115	0.09
Diamondback Energy 4.75% 01/11/2024	USD	456,000	342	0.25
Diamondback Energy 5.38% 31/05/2025	USD	75,000	57	0.04
DISH DBS 7.75% 01/07/2026	USD	600,000	422	0.31
DPL 7.25% 15/10/2021	USD	640,000	524	0.39

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 31.49% (35.42%) (continued)				
Eldorado Resorts 6.00% 01/04/2025	USD	650,000	492	0.36
Encompass Health 5.75% 01/11/2024	USD	910,000	687	0.51
Energizer Gamma Acquisition 6.38% 15/07/2026	USD	415,000	318	0.24
Energy Transfer Equity 4.25% 15/03/2023	USD	325,000	244	0.18
EnPro Industries 5.75% 15/10/2026	USD	90,000	68	0.05
Enterprise Merger Sub 8.75% 15/10/2026	USD	325,000	240	0.18
Extraction Oil & Gas 5.63% 01/02/2026	USD	255,000	170	0.13
First Data 7.00% 01/12/2023	USD	1,000,000	785	0.58
Flex Acquisition 7.88% 15/07/2026	USD	325,000	239	0.18
Frontier Communications 10.50% 15/09/2022	USD	450,000	296	0.22
Genesis Energy 6.50% 01/10/2025	USD	400,000	290	0.21
Genesis Energy 6.25% 15/05/2026	USD	280,000	198	0.15
Graham Holdings 5.75% 01/06/2026	USD	250,000	192	0.14
HCA 5.25% 15/06/2026	USD	1,495,000	1,141	0.85
Hologic 4.38% 15/10/2025	USD	500,000	355	0.26
Hologic 4.63% 01/02/2028	USD	140,000	98	0.07
HUB International 7.00% 01/05/2026	USD	200,000	148	0.11
Huntsman International 5.13% 15/11/2022	USD	150,000	115	0.08
Icahn Enterprises 6.38% 15/12/2025	USD	500,000	377	0.28
IQVIA 5.00% 15/10/2026	USD	500,000	365	0.27
Iron Mountain, REIT 4.88% 15/09/2027	USD	685,000	464	0.34
JPMorgan Chase, FRN 4.62% Perpetual	USD	2,000,000	1,411	1.05
M/I Homes 6.75% 15/01/2021	USD	650,000	503	0.37
Mattel 6.75% 31/12/2025	USD	506,000	369	0.27
McDermott Technology Americas 10.63% 01/05/2024	USD	200,000	158	0.12
Meredith 6.88% 01/02/2026	USD	300,000	231	0.17
MSCI 5.75% 15/08/2025	USD	850,000	663	0.49
Multi-Color 4.88% 01/11/2025	USD	500,000	355	0.26
NRG Energy 6.63% 15/01/2027	USD	540,000	426	0.32
Nuance Communications 6.00% 01/07/2024	USD	875,000	677	0.50
Oceaneering International 6.00% 01/02/2028	USD	635,000	480	0.36
Parsley Energy 6.25% 01/06/2024	USD	485,000	382	0.28
Parsley Energy 5.63% 15/10/2027	USD	50,000	37	0.03
PBF Holding 7.25% 15/06/2025	USD	650,000	510	0.38
Plastipak Holdings 6.25% 15/10/2025	USD	655,000	456	0.34
PotlatchDeltic, REIT 7.50% 01/11/2019	USD	715,000	566	0.42
Refinitiv US Holdings 4.50% 15/05/2026	EUR	667,000	586	0.43
Refinitiv US Holdings 8.25% 15/11/2026	USD	65,000	48	0.04
Rockies Express Pipeline 6.00% 15/01/2019	USD	365,000	278	0.21
SemGroup 5.63% 15/11/2023	USD	200,000	145	0.11
Sirius XM Radio 3.88% 01/08/2022	USD	195,000	144	0.11
Sirius XM Radio 6.00% 15/07/2024	USD	800,000	622	0.46
Six Flags Entertainment 4.88% 31/07/2024	USD	495,000	357	0.26
Sprint 7.25% 15/09/2021	USD	515,000	410	0.30
Sprint 7.88% 15/09/2023	USD	575,000	466	0.35
Standard Industries 6.00% 15/10/2025	USD	840,000	637	0.47
Targa Resources Partners 5.88% 15/04/2026	USD	490,000	377	0.28
Teleflex 4.88% 01/06/2026	USD	350,000	257	0.19
Teleflex 4.63% 15/11/2027	USD	280,000	195	0.14
Tempur Sealy International 5.63% 15/10/2023	USD	650,000	481	0.36
Tenet Healthcare 4.50% 01/04/2021	USD	1,000,000	750	0.56
T-Mobile USA 6.50% 15/01/2026	USD	1,000,000	791	0.59
Toll Brothers Finance 5.88% 15/02/2022	USD	825,000	640	0.47
Tribune Media 5.88% 15/07/2022	USD	760,000	585	0.43
Triumph Group 7.75% 15/08/2025	USD	235,000	168	0.12
United Rentals North America 5.88% 15/09/2026	USD	250,000	189	0.14
United States Steel 6.25% 15/03/2026	USD	525,000	389	0.29
USA Compression Partners 6.88% 01/04/2026	USD	505,000	393	0.29
Vector Group 6.13% 01/02/2025	USD	681,000	468	0.35
Verizon Communications 2.88% 15/01/2038	EUR	1,600,000	1,398	1.04
Verscend Escrow 9.75% 15/08/2026	USD	195,000	150	0.11

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 31.49% (35.42%) (continued)				
WellCare Health Plans 5.38% 15/08/2026	USD	140,000	105	0.08
Western Digital 4.75% 15/02/2026	USD	700,000	507	0.38
Westmoreland Coal 8.75% 01/01/2022§	USD	1,500,000	330	0.24
William Lyon Homes 5.88% 31/01/2025	USD	325,000	221	0.16
Zayo Group 5.75% 15/01/2027	USD	535,000	398	0.29
			42,508	31.49
Corporate Bonds total			**115,847**	**85.83**
Swaps (0.10)% ((0.21)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	11,200,000	(135)	(0.10)
Swaps total			**(135)**	**(0.10)**
Forward Currency Contracts 1.51% ((0.90)%)				
Buy EUR 800,000 sell GBP 713,758 dated 07/12/2018			(8)	(0.01)
Buy GBP 22,455,214 sell EUR 24,778,000 dated 07/12/2018			604	0.45
Buy GBP 56,981,269 sell USD 73,331,000 dated 07/12/2018			1,456	1.08
Buy USD 355,000 sell GBP 268,349 dated 07/12/2018			1	–
Buy USD 3,544,000 sell GBP 2,704,207 dated 07/12/2018			(21)	(0.01)
Forward Currency Contracts total			**2,032**	**1.51**
Futures (0.01)% (0.04%)				
Euro-Bund 06/12/2018	EUR	(10)	17	0.01
Euro-Buxl 06/12/2018	EUR	(2)	7	–
Long Gilt 27/12/2018	GBP	30	(44)	(0.03)
US Long Bond 19/12/2018	USD	(2)	9	0.01
Futures total			**(11)**	**(0.01)**
Investment assets (including investment liabilities)			131,459	97.40
Net other assets			3,514	2.60
Net assets			**134,973**	**100.00**

All holdings are ordinary Shares or stock units or debt securities and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
† A related party to the Fund.
§ Security is currently in default.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(8,854)		522
Revenue	3	7,795		7,759	
Expenses	4	(889)		(1,041)	
Net revenue before taxation		6,906		6,718	
Taxation	5	–		–	
Net revenue after taxation			6,906		6,718
Total return before distributions			**(1,948)**		**7,240**
Distributions	6		(6,906)		(6,718)
Change in net assets attributable to shareholders from investment activities			**(8,854)**		**522**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**151,898**		**153,960**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	8,012		12,689	
Amounts payable on cancellation of shares	(16,087)		(15,273)	
		(8,075)		(2,584)
Change in net assets attributable to shareholders from investment activities (see above)		(8,854)		522
Unclaimed distribution monies		4		–
Closing net assets attributable to shareholders		**134,973**		**151,898**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	131,667	153,825
Current assets:			
Debtors	8	2,266	4,406
Cash and bank balances	9	2,769	1,086
Total assets		**136,702**	**159,317**
Liabilities:			
Investment liabilities	7	(208)	(1,710)
Creditors:			
Distribution payable		(1,139)	(1,117)
Other creditors	10	(382)	(4,592)
Total liabilities		**(1,729)**	**(7,419)**
Net assets attributable to shareholders		**134,973**	**151,898**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency (losses)/gains	(28)	724
Derivative contracts gains/(losses)	28	(147)
Expenses relating to the purchase and sale of investments	(5)	(5)
Forward currency contracts (losses)/gains	(827)	3,978
Non-derivative securities losses	(8,022)	(4,028)
Net capital (losses)/gains	**(8,854)**	**522**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	–	2
Interest on debt securities	7,112	7,034
Income from derivatives	(23)	(69)
Revenue from offshore funds	706	792
Total revenue	**7,795**	**7,759**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	819	927
Registration fees	36	60
	855	987
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	13	21
Interest payable	3	3
Safe custody fee	8	13
	24	37
Other expenses:		
Audit fee**	7	11
Statement fees	3	6
	10	17
Total expenses	**889**	**1,041**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,601 (2017: £9,161) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**6,906**	**6,718**
Corporation tax at 20%	1,381	1,344
Effects of:		
Movement in excess expenses	–	158
Tax deductible on interest distributions	(1,381)	(1,502)
	(1,381)	(1,344)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the six months ended 15 April	3,185	3,361
Gross interest distribution for the five months ended 15 September	3,104	2,645
Gross interest distribution for the month ended 15 October	594	702
	6,883	6,708
Add: Revenue deducted on cancellation of shares	38	31
Deduct: Revenue received on issue of shares	(15)	(21)
Total distributions	**6,906**	**6,718**

Details of the distributions per share are set out in the distribution tables on pages 216 to 220.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	107	(44)	179	(2)
Level 2: Observable market data	131,560	(164)	153,646	(1,708)
Total value	**131,667**	**(208)**	**153,825**	**(1,710)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority is given to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	2,143	2,481
Amounts receivable on issue of shares	34	131
Overseas tax recoverable	–	295
Sales awaiting settlement	89	1,499
Total debtors	**2,266**	**4,406**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing house and brokers	109	8
Cash and bank balances	2,660	1,078
Total cash and bank balances	**2,769**	**1,086**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	80	142
Amounts payable for cancellation of shares	234	250
Purchases awaiting settlement	68	4,200
Total other creditors	**382**	**4,592**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £79,542 (2017: £108,555). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £4,618,616 (2017: £4,189,996). The amount outstanding at the year end was £682,558 (2017: £756,437). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2017: £700,000) and £nil (2017: £700,000) respectively. The income received during the year amounted to £816,367 (2017: £791,540).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	–	(1,857,931)	1,857,931
ACD and related parties (Class 2 Income shares)	2,480,054	(52,387)	2,532,441
ACD and related parties (Class 3 Income shares)	83,539,670	(3,163,733)	86,703,403

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 0.87%
Class 2: 0.62%
Class 3: 0.32%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 201. The distributions per share are given in the distribution tables on pages 216 to 220. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	84,633,889	924,144	(6,607,698)	(241,769)	78,708,566
Class 2 Income shares	17,142,155	1,861,805	(4,226,873)	161,176	14,938,263
Class 3 Income shares	86,703,403	5,820,090	(8,983,823)	–	83,539,670

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, (0.04)% (2017: 0.15%) of the net assets of the Fund were denominated in currencies other than sterling and such the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	3,360	56,219	76,945	136,524
Euro	595	7,188	13,307	21,090
US dollar	1,006	50,935	837	52,778
Financial Liabilities				
Sterling	–	–	(1,497)	(1,497)
Euro	–	–	(21,281)	(21,281)
US dollar	–	–	(52,641)	(52,641)
Total	**4,961**	**114,342**	**15,670**	**134,973**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	19,570	45,002	88,607	153,179
Euro	554	11,798	14,978	27,330
US dollar	9,520	53,698	2,518	65,736
Financial Liabilities				
Sterling	–	–	(1,509)	(1,509)
Euro	–	–	(27,270)	(27,270)
US dollar	–	–	(65,568)	(65,568)
Total	**29,644**	**110,498**	**11,756**	**151,898**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £7,377,759 (2017: £7,788,492). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £7,377,759 (2017: £7,788,492). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 97.40% (2017: 100.14%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.74 (2017: 10.01%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts, futures contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Futures contracts £000	Total £000
BNP Paribas	1	–	1
Goldman Sachs	602	–	602
JPMorgan	–	33	33
Merrill Lynch	(19)	–	(19)
Royal Bank of Scotland	1,456	–	1,456
Standard Chartered	(8)	–	(8)
Total	**2,032**	**33**	**2,065**

15.10.17	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	6	–	6
Goldman Sachs	(1,155)	–	(1,155)
JPMorgan	(9)	61	52
Nomura	4	–	4
Royal Bank of Scotland	5	–	5
Société Générale	(203)	–	(203)
Standard Chartered	(3)	–	(3)
UBS	(9)	–	(9)
Total	**(1,364)**	**61**	**(1,303)**

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts and credit default swaps it is only the positive mark to market values that are reported.

Collateral

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	45,723	39,400	33.90%	25.93%
Below investment grade securities	67,056	93,515	49.67%	61.56%
Unrated securities	3,754	6,141	2.77%	4.05%
Total debt securities	**116,533**	**139,056**	**86.34%**	**91.54%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £54,681,518 (2017: £60,352,194) and the total sales amounted to £70,455,891 (2017: £57,786,268).

Dealing spread

As at 15 October 2017, the average portfolio dealing spread was 0.76% (2017: 0.30%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017:£nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 27 November 2018	Final distribution paid 27 November 2017
Class 1 Income shares	Group 1	0.2318	–	0.2318	0.2171
	Group 2	0.1284	0.1034	0.2318	0.2171
Class 2 Income shares	Group 1	0.3065	–	0.3065	0.3722
	Group 2	0.0862	0.2203	0.3065	0.3722
Class 3 Income shares	Group 1	0.4378	–	0.4378	0.5247
	Group 2	0.2497	0.1881	0.4378	0.5247

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 September 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 September 2018.

Interim distribution paid in pence per share for the month ended 15 September 2018

Income shares		Gross revenue	Equalisation	Interim distribution payable 27 October 2018	Interim distribution paid 27 October 2017
Class 1 Income shares	Group 1	0.2500	–	0.2500	0.1132
	Group 2	0.0704	0.1796	0.2500	0.1132
Class 2 Income shares	Group 1	0.2557	–	0.2557	0.2214
	Group 2	0.0503	0.2054	0.2557	0.2214
Class 3 Income shares	Group 1	0.3688	–	0.3688	0.3250
	Group 2	0.2381	0.1307	0.3688	0.3250

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 August 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 August 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 August 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 September 2018	Interim distribution paid 27 September 2018
Class 1 Income shares	Group 1	0.2350	–	0.2350	0.1681
	Group 2	0.0000	0.2350	0.2350	0.1681
Class 2 Income shares	Group 1	0.3099	–	0.3099	0.2800
	Group 2	0.1089	0.2010	0.3099	0.2800
Class 3 Income shares	Group 1	0.4440	–	0.4440	0.4046
	Group 2	0.2453	0.1987	0.4440	0.4046

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the month ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 25 August 2018	Interim distribution paid 27 August 2018
Class 1 Income shares	Group 1	0.2200	–	0.2200	0.1813
	Group 2	0.0000	0.2200	0.2200	0.1813
Class 2 Income shares	Group 1	0.3721	–	0.3721	0.3399
	Group 2	0.1478	0.2243	0.3721	0.3399
Class 3 Income shares	Group 1	0.5235	–	0.5235	0.4824
	Group 2	0.3005	0.2230	0.5235	0.4824

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 June 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 June 2018.

Interim distribution paid in pence per share for the month ended 15 June 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 July 2018	Interim distribution paid 27 July 2017
Class 1 Income shares	Group 1	0.1800	–	0.1800	0.1813
	Group 2	0.0433	0.1367	0.1800	0.1813
Class 2 Income shares	Group 1	0.4296	–	0.4296	0.2837
	Group 2	0.2434	0.1862	0.4296	0.2837
Class 3 Income shares	Group 1	0.6034	–	0.6034	0.4088
	Group 2	0.4495	0.1539	0.6034	0.4088

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 May 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 May 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 May 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 June 2018	Interim distribution paid 27 June 2017
Class 1 Income shares	Group 1	0.1700	–	0.1700	0.1813
	Group 2	0.0097	0.1603	0.1700	0.1813
Class 2 Income shares	Group 1	0.3017	–	0.3017	0.2436
	Group 2	0.0757	0.2260	0.3017	0.2436
Class 3 Income shares	Group 1	0.4326	–	0.4326	0.3557
	Group 2	0.2295	0.2031	0.4326	0.3557

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

Interim distribution paid in pence per share for the month ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 May 2018	Interim distribution paid 27 May 2017
Class 1 Income shares	Group 1	0.1600	–	0.1600	0.1450
	Group 2	0.0463	0.1137	0.1600	0.1450
Class 2 Income shares	Group 1	0.3485	–	0.3485	0.3158
	Group 2	0.1755	0.1730	0.3485	0.3158
Class 3 Income shares	Group 1	0.4929	–	0.4929	0.4497
	Group 2	0.3329	0.1600	0.4929	0.4497

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 March 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 March 2018.

Interim distribution paid in pence per share for the month ended 15 March 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 April 2018	Interim distribution paid 27 April 2017
Class 1 Income shares	Group 1	0.1600	–	0.1600	0.1450
	Group 2	0.0573	0.1027	0.1600	0.1450
Class 2 Income shares	Group 1	0.2602	–	0.2602	0.2882
	Group 2	0.1227	0.1375	0.2602	0.2882
Class 3 Income shares	Group 1	0.3737	–	0.3737	0.4117
	Group 2	0.1852	0.1885	0.3737	0.4117

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 February 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 February 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 February 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 March 2018	Interim distribution paid 27 March 2017
Class 1 Income shares	Group 1	0.1600	–	0.1600	0.1400
	Group 2	0.0446	0.1154	0.1600	0.1400
Class 2 Income shares	Group 1	0.2525	–	0.2525	0.2162
	Group 2	0.1293	0.1232	0.2525	0.2162
Class 3 Income shares	Group 1	0.3664	–	0.3664	0.3136
	Group 2	0.2148	0.1516	0.3664	0.3136

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the month ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 Febraury 2018	Interim distribution paid 27 February 2018
Class 1 Income shares	Group 1	0.1500	–	0.1500	0.1400
	Group 2	0.0425	0.1075	0.1500	0.1400
Class 2 Income shares	Group 1	0.3620	–	0.3620	0.3206
	Group 2	0.1621	0.1999	0.3620	0.3206
Class 3 Income shares	Group 1	0.5134	–	0.5134	0.4507
	Group 2	0.3096	0.2038	0.5134	0.4507

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 December 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 December 2017.

Interim distribution paid in pence per share for the month ended 15 December 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 January 2018	Interim distribution paid 27 January 2017
Class 1 Income shares	Group 1	0.1200	–	0.1200	0.1100
	Group 2	0.0296	0.0904	0.1200	0.1100
Class 2 Income shares	Group 1	0.2283	–	0.2283	0.2138
	Group 2	0.1056	0.1227	0.2283	0.2138
Class 3 Income shares	Group 1	0.3331	–	0.3331	0.3080
	Group 2	0.1704	0.1627	0.3331	0.3080

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 November 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 November 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 November 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 December 2017	Interim distribution paid 27 December 2016
Class 1 Income shares	Group 1	0.1500	–	0.1500	0.1200
	Group 2	0.0760	0.0740	0.1500	0.1200
Class 2 Income shares	Group 1	0.2949	–	0.2949	0.2274
	Group 2	0.1674	0.1275	0.2949	0.2274
Class 3 Income shares	Group 1	0.4254	–	0.4254	0.3278
	Group 2	0.1662	0.2592	0.4254	0.3278

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

On 4 June 2018, share class R3 Acc of this Fund was renamed as share class 2 Acc and share class R3 Inc of this Fund was renamed as share class 2 Inc.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -0.59 per cent (share class 1) net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Corporate Bond sector, generated a net return of -0.36 per cent.

Review
Performance versus the sector was hurt by the Fund having a higher sensitivity to changes in interest rates than many of its peers and a lower exposure to high-yield bonds, which performed relatively well. With higher-quality bonds underperforming, exposure to sovereign and supra-national issues also detracted. At the sector level, exposure to insurance credits was disappointing, with AXA suffering weakness as its finances were stretched by its $15 billion takeover of XL. The Fund profited, however, from good performance by a number of new deals. These included RBS, which issued its first sterling bond since the financial crisis, US financial Goldman Sachs and logistics facilities provider Tritax Big Box. The Fund also benefited from having relatively low exposure to longer-dated credits, which suffered in an environment of rising yields. In terms of individual credits, the Fund was helped by its lack of exposure to GE, which has suffered a series of credit rating downgrades. Supermarket Tesco contributed well after it bought back bonds from the market at a premium. Having no investment in Telecom Italia bonds also added value as sentiment towards Italy deteriorated. However, this was offset by weak performance by roadside assistance company AA, whose profitability was dented by a spike in callouts.

During the period, the Fund was broadly diversified across sectors and the market capitalisation spectrum. The overall positioning was cautious given the Brexit-related uncertainty hanging over the UK economy and the vulnerability of the underlying government bond market to rising inflation and earlier-than-expected hikes in interest rates. As the market rallied early in the period, we increased the cautious stance by selling certain positions as bond valuations had become more expensive. In sector terms, the Fund was overweight in telecoms, a sector which we felt was ripe for consolidation, as well as financials and corporate hybrids. We were underweight consumer cyclical goods, health care, oil & gas and utilities.

Outlook
With little intrinsic value on offer, the market's potential to offer excess returns over government bonds is modest. Absolute performance is under pressure from rising government bond yields as interest rates continue to be raised in the US and as global inflationary pressures build on the back of more expensive oil and tighter labour markets. The ongoing health of companies' balance sheets and the prospect of tighter supply should nevertheless provide a backstop to the market. The global economy is on a reasonably firm footing and the US is firing on all cylinders. Even the UK, which is blighted by Brexit uncertainty, continues to show surprising resilience. On balance, however, we remain cautious.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 222 and 223 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
European Investment Bank 5.38% 07/06/2021	Kreditanstalt fuer Wiederaufbau 2.00% 06/12/2018
European Investment Bank 1.50% 01/02/2019	European Investment Bank 1.50% 01/02/2019
UK Treasury 4.00% 07/03/2022	European Investment Bank 5.00% 15/04/2039
UK Treasury 4.75% 07/12/2038	UK Treasury 4.00% 07/03/2022
NGG Finance, FRN 5.63% 18/06/2073	ING Bank, FRN 6.88% 29/05/2023
BNG Bank 1.00% 17/06/2022	Tesco 4.88% 24/03/2042
Bank of America, FRN 1.66% 25/04/2028	Firstgroup 6.88% 18/09/2024
Telefonica Europe, FRN 6.75% Perpetual	Bank of America, FRN 2.88% 24/04/2023
Tritax Big Box REIT 2.63% 14/12/2026	Eastern Power Networks 4.75% 30/09/2021
Investec Bank, FRN 4.25% 24/07/2028	Bank of America 7.75% 30/04/2018

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	52.38	52.55	49.52
Return before operating charges†	0.26	1.98	5.26
Operating charges	(0.55)	(0.60)	(0.58)
Return after operating charges†	(0.29)	1.38	4.68
Distributions	(1.48)	(1.55)	(1.65)
Closing net asset value per share	50.61	52.38	52.55
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.55)%	2.63%	9.45%
Other information			
Closing net asset value (£000)	106,878	120,259	129,914
Closing number of shares	211,169,853	229,591,755	247,204,320
Operating charges (%)‡	1.04%	1.13%	1.13%
Direct transaction costs (%)#	0.00%	0.00%	0.00%
Prices≈			
Highest share price	53.46	54.09	55.34
Lowest share price	50.71	51.28	48.49

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	113.21	113.59	107.02
Return before operating charges†	0.55	4.25	11.38
Operating charges	(0.71)	(0.72)	(0.70)
Return after operating charges†	(0.16)	3.53	10.68
Distributions	(3.66)	(3.91)	(4.11)
Closing net asset value per share	109.39	113.21	113.59
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.14)%	3.11%	9.98%
Other information			
Closing net asset value (£000)	23,877	20,932	22,510
Closing number of shares	21,826,048	18,488,749	19,816,713
Operating charges (%)‡	0.63%	0.63%	0.63%
Direct transaction costs (%)#	0.00%	0.00%	0.00%
Prices≈			
Highest share price	115.61	116.95	119.68
Lowest share price	109.55	110.87	104.81

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	154.00	150.34	138.04
Return before operating charges†	0.73	5.66	14.86
Operating charges	(1.62)	(1.72)	(1.63)
Return after operating charges†	(0.89)	3.94	13.23
Distributions	(4.40)	(4.47)	(4.64)
Retained distributions on accumulation shares	4.40	4.19	3.71
Closing net asset value per share	153.11	154.00	150.34
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.58)%	2.62%	9.58%
Other information			
Closing net asset value (£000)	87,115	94,511	99,166
Closing number of shares	56,897,862	61,368,665	65,962,940
Operating charges (%)‡	1.04%	1.13%	1.13%
Direct transaction costs (%)#	0.00%	0.00%	0.00%
Prices≈			
Highest share price	157.61	157.83	157.46
Lowest share price	152.88	146.97	136.41

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	134.04	130.25	119.12
Return before operating charges†	0.63	4.92	12.85
Operating charges	(0.86)	(0.84)	(0.79)
Return after operating charges†	(0.23)	4.08	12.06
Distributions	(4.39)	(4.54)	(4.64)
Retained distributions on accumulation shares	4.39	4.25	3.71
Closing net asset value per share	133.81	134.04	130.25
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(0.17)%	3.13%	10.12%
Other information			
Closing net asset value (£000)	20,260	22,754	31,498
Closing number of shares	15,141,230	16,975,144	24,183,877
Operating charges (%)‡	0.63%	0.63%	0.63%
Direct transaction costs (%)#	0.00%	0.00%	0.00%
Prices≈			
Highest share price	137.35	137.31	136.32
Lowest share price	133.52	127.41	117.87

COMPARATIVE TABLES (CONTINUED)

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	170.04	164.76	150.33
Return before operating charges†	0.79	6.25	16.22
Operating charges	(0.57)	(0.56)	(0.52)
Return after operating charges†	0.22	5.69	15.70
Distributions	(6.10)	(6.27)	(6.33)
Retained distributions on accumulation shares	6.10	5.86	5.06
Closing net asset value per share	170.26	170.04	164.76
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	0.13%	3.45%	10.44%
Other information			
Closing net asset value (£000)	14,079	12,352	12,505
Closing number of shares	8,269,134	7,264,037	7,589,582
Operating charges (%)‡	0.33%	0.33%	0.33%
Direct transaction costs (%)#	0.00%	0.00%	0.00%
Prices≈			
Highest share price	174.36	174.13	172.38
Lowest share price	169.55	161.24	148.88

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.88%**	1.13%
Class 2	0.63%	0.63%
Class 3	0.33%	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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 0.00% (0.00%)				
United Kingdom 0.00% (0.00%)				
Automotive Products Preference 9.00%^	GBP	692,258	–	–
Whitnash Preference 6.50%^	GBP	312,500	–	–
			–	–
Equities total			**–**	**–**
Government Bonds 1.74% (0.00%)				
United Kingdom 1.74% (0.00%)				
UK Treasury 4.75% 07/12/2038	GBP	3,000,000	4,390	1.74
			4,390	1.74
Government Bonds total			**4,390**	**1.74**
Corporate Bonds 87.25% (95.08%)				
Australia 0.00% (1.02%)				
Belgium 0.82% (0.82%)				
Anheuser-Busch InBev 2.85% 25/05/2037	GBP	2,275,000	2,059	0.82
			2,059	0.82
Cayman Islands 3.33% (3.23%)				
Parmalat Capital Finance 9.38% 31/12/2049^	GBP	5,790,000	–	–
Thames Water Utilities Cayman Finance 2.88% 03/05/2027	GBP	1,800,000	1,711	0.68
Thames Water Utilities Cayman Finance 7.74% 09/04/2058	GBP	969,000	1,718	0.68
THPA Finance, Series B 8.24% 15/03/2028	GBP	4,499,000	4,980	1.97
			8,409	3.33
France 5.38% (4.90%)				
AXA, FRN 5.63% 16/01/2054	GBP	3,100,000	3,233	1.28
Electricite de France 6.13% 02/06/2034	GBP	3,500,000	4,595	1.82
Electricite de France, FRN 5.88% Perpetual	GBP	1,400,000	1,363	0.54
Orange 5.38% 22/11/2050	GBP	1,900,000	2,514	1.00
Orange, FRN 5.88% Perpetual	GBP	1,740,000	1,858	0.74
			13,563	5.38
Germany 0.00% (4.50%)				
Ireland 0.99% (0.00%)				
GE Capital UK Funding 5.88% 18/01/2033	GBP	1,363,000	1,716	0.68
GE Capital UK Funding 8.00% 14/01/2039	GBP	500,000	784	0.31
			2,500	0.99
Italy 2.51% (2.88%)				
Enel, FRN 6.62% 15/09/2076	GBP	2,500,000	2,683	1.06
Telecom Italia 5.88% 19/05/2023	GBP	3,400,000	3,660	1.45
			6,343	2.51
Japan 0.00% (0.35%)				
Jersey 7.13% (7.15%)				
AA Bond 6.27% 02/07/2043	GBP	4,055,000	4,349	1.73
AA Bond 5.50% 31/07/2043	GBP	2,600,000	2,377	0.94
CPUK Finance 3.59% 28/02/2042	GBP	2,065,000	2,148	0.85
Gatwick Funding 5.25% 23/01/2026	GBP	3,400,000	3,878	1.54
Gatwick Funding 2.63% 07/10/2048	GBP	2,615,000	2,191	0.87
Heathrow Funding 7.13% 14/02/2024	GBP	2,500,000	3,037	1.20
			17,980	7.13
Mexico 1.60% (2.60%)				
America Movil 4.38% 07/08/2041	GBP	1,500,000	1,681	0.67
America Movil, FRN 6.37% 06/09/2073	EUR	2,300,000	2,345	0.93
			4,026	1.60

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Netherlands 5.36% (5.03%)				
ABN AMRO Bank 1.00% 30/06/2020	GBP	2,300,000	2,281	0.90
BNG Bank 1.00% 17/06/2022	GBP	3,300,000	3,255	1.29
E.ON International Finance 6.38% 07/06/2032	GBP	1,800,000	2,398	0.95
JT International Financial Services 2.75% 28/09/2033	GBP	1,081,000	1,061	0.42
Telefonica Europe, FRN 6.75% Perpetual	GBP	2,800,000	2,994	1.19
Volkswagen International Finance, FRN 4.62% Perpetual	EUR	1,800,000	1,543	0.61
			13,532	5.36
Spain 1.20% (1.33%)				
Telefonica Emisiones 5.45% 08/10/2029	GBP	2,550,000	3,015	1.20
			3,015	1.20
Switzerland 0.51% (0.59%)				
Credit Suisse Group, FRN 2.13% 12/09/2025	GBP	1,341,000	1,278	0.51
			1,278	0.51
United Kingdom 47.59% (44.92%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	2,581,000	2,397	0.95
Annington Funding 2.65% 12/07/2025	GBP	2,355,000	2,309	0.92
Annington Funding 3.94% 12/07/2047	GBP	2,000,000	1,981	0.79
Aviva, FRN 5.90% Perpetual†	GBP	3,610,000	3,692	1.46
Barclays 3.25% 12/02/2027	GBP	3,300,000	3,196	1.27
Barclays Bank 10.00% 21/05/2021	GBP	2,200,000	2,597	1.03
Barclays Bank, FRN 14.00% Perpetual	GBP	1,500,000	1,610	0.64
Barclays Bank UK 4.25% 12/01/2022	GBP	4,200,000	4,564	1.81
BAT International Finance 2.25% 09/09/2052	GBP	1,400,000	987	0.39
Broadgate Financing 5.00% 05/10/2033	GBP	2,200,000	2,604	1.03
Cadent Finance 2.13% 22/09/2028	GBP	1,378,000	1,281	0.51
Canary Wharf Finance II, Series II A1 6.46% 22/10/2033	GBP	894,936	1,110	0.44
Channel Link Enterprises Finance, FRN 3.04% 30/06/2050	GBP	554,000	540	0.21
Connect Plus M25 Issuer 2.61% 31/03/2039	GBP	1,479,161	1,460	0.58
DS Smith 2.88% 26/07/2029	GBP	2,000,000	1,900	0.75
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP	580,000	701	0.28
Grainger 3.38% 24/04/2028	GBP	2,200,000	2,161	0.86
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	3,982,000	3,709	1.47
HSBC Bank 4.75% 24/03/2046	GBP	1,500,000	1,710	0.68
HSBC Holdings 6.75% 11/09/2028	GBP	2,300,000	2,870	1.14
HSBC Holdings, FRN 5.88% Perpetual	GBP	2,423,000	2,396	0.95
Imperial Brands Finance 9.00% 17/02/2022	GBP	5,220,000	6,360	2.52
Imperial Brands Finance 8.13% 15/03/2024	GBP	1,460,000	1,850	0.73
Intu Metrocentre Finance, REIT 4.13% 06/12/2028	GBP	1,800,000	1,896	0.75
Investec Bank, FRN 4.25% 24/07/2028	GBP	3,000,000	2,930	1.16
Juturna European Loan Conduit No. 16 5.06% 10/08/2033	GBP	2,562,306	3,048	1.21
Legal & General Group, FRN 10.00% 23/07/2041	GBP	3,200,000	3,820	1.51
Lloyds Bank 7.63% 22/04/2025	GBP	3,400,000	4,272	1.69
Meadowhall Finance, Series B 4.99% 12/07/2037	GBP	2,264,712	2,699	1.07
Mitchells & Butlers Finance, Series C1 6.47% 15/09/2032	GBP	2,900,000	3,290	1.30
Newcastle Building Society, FRN 3.85% 23/12/2019	GBP	2,000,000	1,920	0.76
NGG Finance, FRN 5.63% 18/06/2073	GBP	3,000,000	3,267	1.30
Notting Hill Housing Trust 3.75% 20/12/2032	GBP	3,200,000	3,373	1.34
NWEN Finance 5.88% 21/06/2021	GBP	2,180,000	2,310	0.92
Prudential, FRN 11.37% 29/05/2039	GBP	4,582,000	4,854	1.92
Prudential, FRN 5.63% 20/10/2051	GBP	1,626,000	1,641	0.65
Prudential, FRN 5.70% 19/12/2063	GBP	700,000	781	0.31
RAC Bond 4.57% 06/05/2046	GBP	2,500,000	2,542	1.01
RELX Investments 2.75% 01/08/2019	GBP	3,200,000	3,222	1.28
Royal Bank of Scotland Group, FRN 2.87% 19/09/2026	GBP	3,400,000	3,324	1.32
Segro, REIT 2.38% 11/10/2029	GBP	3,300,000	3,128	1.24
Spirit Issuer 6.58% 28/03/2025	GBP	1,116,900	1,126	0.45
Tritax Big Box REIT 2.63% 14/12/2026	GBP	3,500,000	3,420	1.36

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 47.59% (44.92%) (continued)				
Virgin Media Secured Finance 5.00% 15/04/2027	GBP	1,750,000	1,732	0.69
Vodafone Group, FRN 4.87% 03/10/2078	GBP	1,591,000	1,568	0.62
Wellcome Trust 2.52% 07/02/2118	GBP	1,232,000	1,041	0.41
Western Power Distribution West Midlands 5.75% 16/04/2032	GBP	3,800,000	4,828	1.91
			120,017	47.59
United States of America 10.83% (15.76%)				
AT&T 4.38% 14/09/2029	GBP	2,645,000	2,850	1.13
AT&T 4.25% 01/06/2043	GBP	2,900,000	2,955	1.17
Bank of America 7.00% 31/07/2028	GBP	3,100,000	4,169	1.65
Citigroup 4.50% 03/03/2031	GBP	4,000,000	4,330	1.72
Goldman Sachs Group 3.13% 25/07/2029	GBP	2,626,000	2,578	1.02
JPMorgan Chase, FRN 4.62% Perpetual	USD	4,400,000	3,104	1.23
Time Warner Cable 5.25% 15/07/2042	GBP	1,500,000	1,620	0.64
Verizon Communications 3.38% 27/10/2036	GBP	2,444,000	2,375	0.94
Wells Fargo 2.00% 28/07/2025	GBP	3,500,000	3,343	1.33
			27,324	10.83
Corporate Bonds total			**220,046**	**87.25**
Supranational 4.84% (5.17%)				
European Investment Bank 1.50% 01/02/2019	GBP	3,000,000	3,006	1.19
European Investment Bank 0.63% 17/01/2020	GBP	2,000,000	1,991	0.79
European Investment Bank 5.38% 07/06/2021	GBP	6,500,000	7,214	2.86
			12,211	4.84
Supranationals total			**12,211**	**4.84**
Swaps (0.10)% ((0.37)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	20,500,000	(247)	(0.10)
Swaps total			**(247)**	**(0.10)**
Forward Currency Contracts 0.19% ((0.13)%)				
Buy EUR 800,000 sell GBP 710,554 dated 07/12/2018			(5)	–
Buy GBP 7,340,674 sell EUR 8,100,000 dated 07/12/2018			198	0.08
Buy GBP 12,015,601 sell USD 15,462,000 dated 07/12/2018			308	0.12
Buy USD 4,000,000 sell GBP 3,060,795 dated 07/12/2018			(32)	(0.01)
Forward Currency Contracts total			**469**	**0.19**
Futures 0.02% ((0.20)%)				
Euro-Bund 06/12/2018	EUR	(28)	50	0.02
Euro-Buxl 06/12/2018	EUR	(4)	14	0.01
Long Gilt 27/12/2018	GBP	136	(101)	(0.04)
US Long Bond 19/12/2018	USD	(4)	18	0.01
US Ultra Bond 19/12/2018	USD	(17)	63	0.02
Futures total			**44**	**0.02**
Investment assets (including investment liabilities)			236,913	93.94
Net other assets			15,296	6.06
Net assets			**252,209**	**100.00**

All holdings are debt securities denominated in Sterling and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
^ Unlisted, suspended or delisted security.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital losses	2		(8,923)		(811)
Revenue	3	10,329		11,423	
Expenses	4	(2,508)		(2,847)	
Net revenue before taxation		7,821		8,576	
Taxation	5	–		–	
Net revenue after taxation			7,821		8,576
Total return before distributions			**(1,102)**		**7,765**
Distributions	6		(7,821)		(8,576)
Change in net assets attributable to shareholders from investment activities			**(8,923)**		**(811)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**270,808**		**295,593**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	12,389		4,997	
Amounts payable on cancellation of shares	(25,844)		(32,821)	
		(13,455)		(27,824)
Change in net assets attributable to shareholders from investment activities (see above)		(8,923)		(811)
Retained distribution on accumulation shares		3,772		3,844
Unclaimed distribution monies		7		6
Closing net assets attributable to shareholders		**252,209**		**270,808**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	237,298	271,677
Current assets:			
Debtors	8	6,276	4,253
Cash and bank balances	9	10,474	5,923
Total assets		**254,048**	**281,853**
Liabilities:			
Investment liabilities	7	(385)	(2,078)
Creditors:			
Distribution payable		(795)	(786)
Other creditors	10	(659)	(8,181)
Total liabilities		**(1,839)**	**(11,045)**
Net assets attributable to shareholders		**252,209**	**270,808**

NOTES TO THE FINANCIAL STATEMENT

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital losses on investments during the year comprise:		
Currency losses	(343)	(160)
Derivative contracts (losses)/gains	(18)	48
Expenses relating to the purchase and sale of investments	(3)	(3)
Forward currency contracts (losses)/gains	(7)	1,507
Non-derivative securities losses	(8,552)	(2,203)
Net capital losses	**(8,923)**	**(811)**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	10	7
Interest on debt securities	10,229	11,450
Income from derivatives	90	(34)
Total revenue	**10,329**	**11,423**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management fee*	2,284	2,490
Registration fees	162	268
	2,446	2,758
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	23	38
Interest payable	9	2
Safe custody fee	16	27
	48	67
Other expenses:		
Audit fee**	8	12
Printing and postage expenses	–	1
Statement fees	6	9
	14	22
Total expenses	**2,508**	**2,847**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £10,148 (2017: £9,683) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**7,821**	**8,576**
Corporation tax at 20%	1,564	1,715
Effects of:		
Movement in excess management expenses	–	(3)
Tax deductible on interest distributions	(1,564)	(1,712)
	(1,564)	(1,715)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £nil (2017: £1,365) creating a potential deferred tax asset of £nil (2017: £273). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the six months ended 15 April	3,445	3,938
Gross interest distribution for the five months ended 15 September	3,404	3,708
Gross interest distribution for the month ended 15 October	938	885
	7,787	8,531
Add: Revenue deducted on cancellation of shares	68	54
Deduct: Revenue received on issue of shares	(34)	(9)
Total distributions	**7,821**	**8,576**

Details of the distributions per share are set out in the distribution tables on pages 235 to 240.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	145	(101)	75	(617)
Level 2: Observable market data	237,153	(284)	271,602	(1,461)
Total value	**237,298**	**(385)**	**271,677**	**(2,078)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	3,921	4,076
Amounts receivable on issue of shares	22	127
Overseas tax recoverable	3	32
Sales awaiting settlement	2,330	18
Total debtors	**6,276**	**4,253**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing house and brokers	389	1,286
Cash and bank balances	10,085	4,637
Total cash and bank balances	**10,474**	**5,923**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	244	360
Amounts payable for cancellation of shares	415	354
Purchases awaiting settlement	–	7,467
Total other creditors	**659**	**8,181**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £243,920 (2017: £288,017). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £561,447 (2017: £520,005). The amount outstanding at the year end was £92,923 (2017: £90,794). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2017: £nil) and £nil (2017: £nil) respectively. The income received during the year amounted to £214,276 (2017: £212,629).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 2 Income shares)	618,072	(56,428)	674,500
ACD and related parties (Class 1 Accumulation shares)	16,281	16,275	6
ACD and related parties (Class 2 Accumulation shares)	1,193,719	(301,761)	1,495,480
ACD and related parties (Class 3 Accumulation shares)	8,269,134	1,005,097	7,264,037

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee are as follows:

Class 1: 0.88%
Class 2: 0.63%
Class 3: 0.33%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 222 and 223. The distributions per share are given in the distribution tables on pages 235 to 240. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	229,591,755	365,364	(18,153,351)	(633,915)	211,169,853
Class 2 Income shares	18,488,749	5,650,824	(2,606,823)	293,298	21,826,048
Class 1 Accumulation shares	61,368,665	240,847	(4,530,730)	(180,920)	56,897,862
Class 2 Accumulation shares	16,975,144	1,263,401	(3,304,764)	207,449	15,141,230
Class 3 Accumulation shares	7,264,037	2,211,081	(1,205,984)	–	8,269,134

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, (0.05)% (2017: (0.02)%) of the net assets of the Fund were denominated in currencies other than sterling and as such the currency risk is not considered significant.

Interest rate risk

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2018 was:

Currency 15.10.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	10,874	221,272	21,734	253,880
Euro	2,660	3,887	117	6,664
US Dollar	5,324	3,104	155	8,583
Financial Liabilities				
Sterling	–	–	(1,554)	(1,554)
Euro	–	–	(6,685)	(6,685)
US Dollar	–	–	(8,679)	(8,679)
Total	**18,858**	**228,263**	**5,088**	**252,209**

The interest rate profile of the Fund's financial assets and liabilities at 15 October 2017 was:

Currency 15.10.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	49,587	201,610	25,353	276,550
Euro	3,092	1,975	37	5,104
US Dollar	10,121	11,047	265	21,433
Financial Liabilities				
Sterling	–	–	(5,699)	(5,699)
Euro	–	–	(5,296)	(5,296)
US Dollar	–	–	(21,284)	(21,284)
Total	**62,800**	**214,632**	**(6,624)**	**270,808**

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest on LIBOR or its equivalent.

Interest rate exposures

The Aviva Investors Investment Risk Team performs regular stress testing across all portfolios to determine market sensitivities and risk exposures using BlackRock's Aladdin risk model and stress testing methodology. Under this methodology, if 5Y GBP interest rates had increased by 1% as at the balance sheet date, the net asset value of the Fund would have decreased by £17,352,485 (2017: £22,212,614). If interest rates had decreased by 1% as at the balance sheet date, the net asset value of the Fund would have increased by £17,352,485 (2017: £22,212,614). These calculations assume the interest rate shock is propagated to all risk factors the Fund is exposed to, based on historical market correlations and volatilities between factors.

Market price risk

At the year end date, 93.94% (2017: 99.55%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.39% (2017: 9.96%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts, futures contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Futures contracts £000	Total £000
Goldman Sachs	198	–	198
JPMorgan	–	145	145
Royal Bank of Scotland	303	–	303
UBS	(32)	–	(32)
Total	**469**	**145**	**614**

15.10.17	Forward currency contracts £000	Futures contracts £000	Total £000
Citigroup	8	–	8
Goldman Sachs	(418)	–	(418)
HSBC	29	–	29
JPMorgan	4	75	79
Royal Bank of Canada	(32)	–	(32)
Société Générale	6	–	6
UBS	46	–	46
Total	**(357)**	**75**	**(282)**

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts and credit default swaps it is only the positive mark to market values that are reported.

Collateral

At the year end date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2017: £nil).

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	197,853	219,130	78.45%	80.90%
Below investment grade securities	36,874	49,068	14.62%	18.13%
Unrated securities	1,920	3,311	0.76%	1.22%
Total debt securities	**236,647**	**271,509**	**93.83%**	**100.25%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £134,263,561 (2017: £136,252,252) and the total sales amounted to £159,193,416 (2017: £150,931,064).

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.68% (2017: 0.67%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the month ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 27 November 2018	Final distribution paid 27 November 2017
Class 1 Income shares	Group 1	0.1689	–	0.1689	0.1602
	Group 2	0.0829	0.0860	0.1689	0.1602
Class 2 Income shares	Group 1	0.3233	–	0.3233	0.3930
	Group 2	0.1718	0.1515	0.3233	0.3930

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 27 November 2018	Final distribution paid 27 November 2017
Class 1 Accumulation shares	Group 1	0.6653	–	0.6653	0.5217
	Group 2	0.0780	0.5873	0.6653	0.5217
Class 2 Accumulation shares	Group 1	0.5839	–	0.5839	0.5257
	Group 2	0.1899	0.3940	0.5839	0.5257
Class 3 Accumulation shares	Group 1	0.5259	–	0.5259	0.4868
	Group 2	0.2498	0.2761	0.5259	0.4868

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 September 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 September 2018.

Interim distribution paid in pence per share for the month ended 15 September 2018

Income shares		Gross revenue	Equalisation	Interim distribution payable 27 October 2018	Interim distribution paid 27 October 2017
Class 1 Income shares	Group 1	0.1400	–	0.1400	0.1250
	Group 2	0.0404	0.0996	0.1400	0.1250
Class 2 Income shares	Group 1	0.3200	–	0.3200	0.3100
	Group 2	0.1234	0.1966	0.3200	0.3100

Accumulation shares		Gross revenue	Equalisation	Interim distribution payable 27 October 2018	Interim distribution paid 27 October 2017
Class 1 Accumulation shares	Group 1	0.3990	–	0.3990	0.3563
	Group 2	0.0000	0.3990	0.3990	0.3563
Class 2 Accumulation shares	Group 1	0.3653	–	0.3653	0.3539
	Group 2	0.0000	0.3653	0.3653	0.3539
Class 3 Accumulation shares	Group 1	0.4848	–	0.4848	0.5143
	Group 2	0.1307	0.3541	0.4848	0.5143

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 August 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 August 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 August 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 September 2018	Interim distribution paid 27 September 2017
Class 1 Income shares	Group 1	0.1400	–	0.1400	0.1625
	Group 2	0.0000	0.1400	0.1400	0.1625
Class 2 Income shares	Group 1	0.3300	–	0.3300	0.4000
	Group 2	0.1092	0.2208	0.3300	0.4000

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 September 2018	Interim distribution paid 27 September 2017
Class 1 Accumulation shares	Group 1	0.3990	–	0.3990	0.4631
	Group 2	0.0000	0.3990	0.3990	0.4631
Class 2 Accumulation shares	Group 1	0.3767	–	0.3767	0.4566
	Group 2	0.0000	0.3767	0.3767	0.4566
Class 3 Accumulation shares	Group 1	0.5478	–	0.5478	0.5170
	Group 2	0.0965	0.4513	0.5478	0.5170

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the month ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 August 2018	Interim distribution paid 27 August 2017
Class 1 Income shares	Group 1	0.1350	–	0.1350	0.1500
	Group 2	0.0008	0.1342	0.1350	0.1500
Class 2 Income shares	Group 1	0.3300	–	0.3300	0.3750
	Group 2	0.0770	0.2530	0.3300	0.3750

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 August 2018	Interim distribution paid 27 August 2017
Class 1 Accumulation shares	Group 1	0.3848	–	0.3848	0.4275
	Group 2	0.0000	0.3848	0.3848	0.4275
Class 2 Accumulation shares	Group 1	0.3767	–	0.3767	0.4280
	Group 2	0.0296	0.3471	0.3767	0.4280
Class 3 Accumulation shares	Group 1	0.4839	–	0.4839	0.7624
	Group 2	0.0165	0.4674	0.4839	0.7624

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 June 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 June 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 June 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 July 2018	Interim distribution paid 27 July 2017
Class 1 Income shares	Group 1	0.1250	–	0.1250	0.1250
	Group 2	0.0000	0.1250	0.1250	0.1250
Class 2 Income shares	Group 1	0.3200	–	0.3200	0.3250
	Group 2	0.0600	0.2600	0.3200	0.3250

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 July 2018	Interim distribution paid 27 July 2017
Class 1 Accumulation shares	Group 1	0.3563	–	0.3563	0.3563
	Group 2	0.0000	0.3563	0.3563	0.3563
Class 2 Accumulation shares	Group 1	0.3653	–	0.3653	0.3710
	Group 2	0.0000	0.3653	0.3653	0.3710
Class 3 Accumulation shares	Group 1	0.4822	–	0.4822	0.4734
	Group 2	0.4822	0.0000	0.4822	0.4734

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 May 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 May 2018.

Interim distribution paid in pence per share for the month ended 15 May 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 June 2018	Interim distribution paid 27 June 2017
Class 1 Income shares	Group 1	0.1250	–	0.1250	0.1250
	Group 2	0.0138	0.1112	0.1250	0.1250
Class 2 Income shares	Group 1	0.3200	–	0.3200	0.3250
	Group 2	0.0367	0.2833	0.3200	0.3250

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 June 2018	Interim distribution paid 27 June 2017
Class 1 Accumulation shares	Group 1	0.3563	–	0.3563	0.3563
	Group 2	0.0000	0.3563	0.3563	0.3563
Class 2 Accumulation shares	Group 1	0.3653	–	0.3653	0.3710
	Group 2	0.0000	0.3653	0.3653	0.3710
Class 3 Accumulation shares	Group 1	0.5332	–	0.5332	0.5101
	Group 2	0.1011	0.4321	0.5332	0.5101

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 25 May 2018	Interim distribution paid 26 May 2017
Class 1 Income shares	Group 1	0.1250	–	0.1250	0.1000
	Group 2	0.0000	0.1250	0.1250	0.1000
Class 2 Income shares	Group 1	0.3200	–	0.3200	0.2600
	Group 2	0.0279	0.2921	0.3200	0.2600

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 25 May 2018	Interim distribution paid 26 May 2017
Class 1 Accumulation shares	Group 1	0.3563	–	0.3563	0.2850
	Group 2	0.0000	0.3563	0.3563	0.2850
Class 2 Accumulation shares	Group 1	0.3653	–	0.3653	0.2968
	Group 2	0.0000	0.3653	0.3653	0.2968
Class 3 Accumulation shares	Group 1	0.4649	–	0.4649	0.4796
	Group 2	0.0086	0.4563	0.4649	0.4796

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 March 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 March 2018.

Interim distribution paid in pence per share for the month ended 15 March 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 April 2018	Interim distribution paid 27 April 2017
Class 1 Income shares	Group 1	0.1200	–	0.1200	0.1000
	Group 2	0.0000	0.1200	0.1200	0.1000
Class 2 Income shares	Group 1	0.3000	–	0.3000	0.2600
	Group 2	0.0000	0.3000	0.3000	0.2600

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 April 2018	Interim distribution paid 27 April 2017
Class 1 Accumulation shares	Group 1	0.3420	–	0.3420	0.2850
	Group 2	0.0000	0.3420	0.3420	0.2850
Class 2 Accumulation shares	Group 1	0.3424	–	0.3424	0.2968
	Group 2	0.0000	0.3424	0.3424	0.2968
Class 3 Accumulation shares	Group 1	0.4647	–	0.4647	0.4709
	Group 2	0.0194	0.4453	0.4647	0.4709

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 February 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 February 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 February 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 March 2018	Interim distribution paid 27 March 2017
Class 1 Income shares	Group 1	0.1000	–	0.1000	0.1000
	Group 2	0.0000	0.1000	0.1000	0.1000
Class 2 Income shares	Group 1	0.3000	–	0.3000	0.2600
	Group 2	0.0000	0.3000	0.3000	0.2600

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 March 2018	Interim distribution paid 27 March 2017
Class 1 Accumulation shares	Group 1	0.2850	–	0.2850	0.2850
	Group 2	0.0000	0.2850	0.2850	0.2850
Class 2 Accumulation shares	Group 1	0.3424	–	0.3424	0.2968
	Group 2	0.0000	0.3424	0.3424	0.2968
Class 3 Accumulation shares	Group 1	0.5047	–	0.5047	0.4443
	Group 2	0.3216	0.1831	0.5047	0.4443

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the month ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 February 2018	Interim distribution paid 27 February 2017
Class 1 Income shares	Group 1	0.1000	–	0.1000	0.0987
	Group 2	0.0000	0.1000	0.1000	0.0987
Class 2 Income shares	Group 1	0.2650	–	0.2650	0.2500
	Group 2	0.0000	0.2650	0.2650	0.2500

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 February 2018	Interim distribution paid 27 February 2017
Class 1 Accumulation shares	Group 1	0.2850	–	0.2850	0.2813
	Group 2	0.0000	0.2850	0.2850	0.2813
Class 2 Accumulation shares	Group 1	0.3025	–	0.3025	0.2854
	Group 2	0.0000	0.3025	0.3025	0.2854
Class 3 Accumulation shares	Group 1	0.5218	–	0.5218	0.3794
	Group 2	0.4807	0.0411	0.5218	0.3794

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 December 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 December 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the month ended 15 December 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 26 January 2018	Interim distribution paid 27 January 2017
Class 1 Income shares	Group 1	0.1000	–	0.1000	0.1000
	Group 2	0.0075	0.0925	0.1000	0.1000
Class 2 Income shares	Group 1	0.2650	–	0.2650	0.2500
	Group 2	0.0205	0.2445	0.2650	0.2500

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 26 January 2018	Interim distribution paid 27 January 2017
Class 1 Accumulation shares	Group 1	0.2850	–	0.2850	0.2850
	Group 2	0.0000	0.2850	0.2850	0.2850
Class 2 Accumulation shares	Group 1	0.3025	–	0.3025	0.2854
	Group 2	0.0000	0.3025	0.3025	0.2854
Class 3 Accumulation shares	Group 1	0.5182	–	0.5182	0.3946
	Group 2	0.1827	0.3355	0.5182	0.3946

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 November 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 November 2017.

Interim distribution paid in pence per share for the month ended 15 November 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 27 December 2017	Interim distribution paid 27 December 2016
Class 1 Income shares	Group 1	0.1000	–	0.1000	0.1000
	Group 2	0.0558	0.0442	0.1000	0.1000
Class 2 Income shares	Group 1	0.2650	–	0.2650	0.2500
	Group 2	0.0942	0.1708	0.2650	0.2500

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 27 December 2017	Interim distribution paid 27 December 2016
Class 1 Accumulation shares	Group 1	0.2850	–	0.2850	0.2850
	Group 2	0.0425	0.2425	0.2850	0.2850
Class 2 Accumulation shares	Group 1	0.3025	–	0.3025	0.2854
	Group 2	0.0428	0.2597	0.3025	0.2854
Class 3 Accumulation shares	Group 1	0.5648	–	0.5648	0.4250
	Group 2	0.3140	0.2508	0.5648	0.4250

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Up to 5 April 2017, the distributions payable were calculated after the deduction of basic rate income tax. From 6 April 2017, distributions payable are calculated without deducting this tax. The tax treatment of distributions will depend on an investor's individual circumstances.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, The Fund delivered a total return of -1.84 per cent (share class 1), net of fees. The Fund's peer group, the Investment Association's (IA) Sterling Strategic Bond sector, generated net return of -0.68 per cent.

Review
The Fund posted a negative return in the twelve months under review as bond markets began to reflect the winding down of central bank support. Performance versus the peer group was negatively impacted by its lower relative exposure to high-yield bonds, which outperformed over the period. Although the Fund was positioned to weather the impact of rising interest rates, this was more than offset by disappointing security selection. Notable detractors included US car component manufacturer Adient, which has consistently struggled to maintain profitability since being spun off from its parent company in 2016. A fall in profits on the back of pricing factors and currency movements also weighed on the performance of German packaging maker Kloeckner, while exposure to insurer AXA detracted as its finances were stretched by its $15 billion takeover of XL. Roadside-assistance company AA subtracted value as a spike in callouts hurt profits. There was a strong recovery, however, from the bonds of embattled UK clothes retailer New Look after it reached a voluntary agreement with its creditors and undertook restructuring. Supermarket Tesco also added value as it bought back bonds from the market at a premium.

The Fund was positioned cautiously given the number of political and monetary policy uncertainties hanging over the global economy. At the global level, we favoured US and UK-based bonds as we felt that yields would be more attractive than in the Eurozone, where central-bank policy continued to depress payouts. With new technologies and uneven demand disrupting the commodity markets, we opted to take no exposure to energy-related corporate bonds. At the sector level, we were overweight in telecoms and underweight in basic industries. In terms of our government bond exposure, we were underweight in US treasuries but held exposure to US index-linked bonds to cushion against the potential for rising inflation. We held a negative stance towards emerging markets given the threats of a stronger US dollar and rising trade tensions.

Outlook
Government bond markets are under pressure from higher interest rates in the US and rising inflationary pressures on the back of more expensive oil and tighter labour markets. An environment of rising yields is likely to weigh on the performance of corporate bonds, which are currently viewed as being too richly valued to generate meaningful excess returns. That said, the ongoing health of companies' finances and the prospect of tighter bond supply should provide a backstop to the market.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 243 and 244 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
UK Treasury 5.00% 07/03/2018	UK Treasury 5.00% 07/03/2018
Virgin Media Secured Finance 5.00% 15/04/2027	US Treasury 0.75% 31/08/2018
UK Treasury 1.25% 22/07/2028	UK Treasury 3.75% 07/09/2021
Verizon Communications 2.88% 15/01/2038	Virgin Media Secured Finance 5.50% 15/01/2025
Telenet Finance Luxembourg Notes Sarl 3.50% 01/03/2028	UK Treasury 1.25% 22/07/2028
Equinix, REIT 2.88% 01/02/2026	Goldman Sachs Group 3.00% 26/04/2022
Bank of America, FRN 1.66% 25/04/2028	UK Treasury 4.50% 12/07/2042
Vantiv 3.88% 15/11/2025	Telenet Finance Luxembourg Notes Sarl 3.50% 01/03/2028
Anglian Water Osprey Financing 4.00% 08/03/2026	RCI Banque 3.25% 25/04/2018

AVIVA INVESTORS STRATEGIC BOND FUND (CONTINUED)

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.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	73.07	72.69	70.80
Return before operating charges†	(0.75)	3.18	5.11
Operating charges	(0.63)	(0.83)	(0.81)
Return after operating charges†	(1.38)	2.35	4.30
Distributions	(2.24)	(1.97)	(2.41)
Closing net asset value per share	69.45	73.07	72.69
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.89)%	3.23%	6.07%
Other information			
Closing net asset value (£000)	701	3,036	3,215
Closing number of shares	1,008,569	4,155,254	4,423,269
Operating charges (%)‡	1.06%	1.13%	1.13%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	73.73	74.38	74.44
Lowest share price	70.27	72.30	68.53

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	110.02	109.45	106.60
Return before operating charges†	(0.97)	4.78	7.71
Operating charges	(0.68)	(0.69)	(0.68)
Return after operating charges†	(1.65)	4.09	7.03
Distributions	(3.83)	(3.52)	(4.18)
Closing net asset value per share	104.54	110.02	109.45
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.50)%	3.74%	6.59%
Other information			
Closing net asset value (£000)	167,066	291,846	299,552
Closing number of shares	159,809,175	265,275,262	273,690,970
Operating charges (%)‡	0.63%	0.63%	0.63%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	111.04	112.07	112.16
Lowest share price	105.85	108.90	103.21

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	214.94	206.89	194.91
Return before operating charges†	(1.93)	9.11	14.31
Operating charges	(0.71)	(0.69)	(0.66)
Return after operating charges†	(2.64)	8.42	13.65
Distributions	(8.25)	(7.37)	(8.33)
Retained distributions on accumulation shares	8.25	7.00	6.66
Closing net asset value per share	212.30	214.94	206.89
† after direct transaction costs of	–	–	–
Performance			
Return after charges (%)	(1.23)%	4.07%	7.00%
Other information			
Closing net asset value (£000)	180,127	183,310	174,355
Closing number of shares	84,846,075	85,283,487	84,274,000
Operating charges (%)‡	0.33%	0.33%	0.33%
Direct transaction costs (%)#	–	–	–
Prices≈			
Highest share price	216.98	216.42	210.42
Lowest share price	212.45	205.89	190.38

COMPARATIVE TABLES (CONTINUED)

Financial year Class 5 Income shares	2018 p per share	2017§ p per share
Change in net assets per share		
Opening net asset value per share	100.44	100.00
Return before operating charges†	(0.88)	4.02
Operating charges	(0.57)	(0.50)
Return after operating charges†	(1.45)	3.52
Distributions	(3.55)	(3.08)
Closing net asset value per share	95.44	100.44
† after direct transaction costs of	–	–
Performance		
Return after charges (%)	(1.44)%	3.52%
Other information		
Closing net asset value (£000)	99,860	102,834
Closing number of shares	104,629,856	102,383,647
Operating charges (%)‡	0.58%	0.58%
Direct transaction costs (%)#	–	–
Prices≈		
Highest share price	101.38	102.31
Lowest share price	96.65	99.30

§ Class 5 was launched on 28 October 2016.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.88%**	1.13%
Class 2	0.63%	0.63%
Class 3	0.33%	0.33%
Class 5	0.58%	0.58%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Government Bonds 15.28% (23.34%)				
United Kingdom 2.02% (8.68%)				
UK Treasury 3.75% 07/09/2021	GBP	7,000,000	7,568	1.69
UK Treasury 1.63% 22/10/2028	GBP	1,486,942	1,489	0.33
			9,057	2.02
United States of America 13.26% (14.66%)				
US Treasury 2.00% 15/11/2026	USD	20,000,000	13,958	3.12
US Treasury Inflation Indexed 0.40% 15/07/2023	USD	23,000,000	18,454	4.12
US Treasury Inflation Indexed 0.67% 15/01/2024	USD	22,000,000	17,704	3.96
US Treasury Inflation Indexed 1.06% 15/02/2046	USD	12,000,000	9,239	2.06
			59,355	13.26
Government Bonds total			**68,412**	**15.28**
Corporate Bonds 75.90% (71.81%)				
Australia 0.00% (0.73%)				
Cayman Islands 0.45% (0.35%)				
THPA Finance, Series B 8.24% 15/03/2028	GBP	1,805,000	1,998	0.45
			1,998	0.45
France 3.10% (4.56%)				
AXA, FRN 5.63% 16/01/2054	GBP	6,500,000	6,780	1.52
BNP Paribas, FRN 7.00% Perpetual	USD	2,586,000	1,942	0.43
Credit Agricole, FRN 8.12% Perpetual	USD	2,600,000	2,132	0.48
Electricite de France, FRN 6.00% Perpetual	GBP	3,000,000	3,014	0.67
			13,868	3.10
Germany 0.91% (0.93%)				
Unitymedia Hessen 4.63% 15/02/2026	EUR	4,285,800	4,083	0.91
			4,083	0.91
Hong Kong 0.00% (0.41%)				
Ireland 0.93% (0.00%)				
GE Capital UK Funding 5.88% 18/01/2033	GBP	2,451,000	3,085	0.69
GE Capital UK Funding 8.00% 14/01/2039	GBP	700,000	1,098	0.24
			4,183	0.93
Italy 3.19% (3.47%)				
Enel, FRN 8.75% 24/09/2073	USD	5,000,000	4,119	0.92
Telecom Italia 5.88% 19/05/2023	GBP	6,700,000	7,211	1.61
Telecom Italia 2.38% 12/10/2027	EUR	3,735,000	2,976	0.66
			14,306	3.19
Japan 0.70% (1.22%)				
SoftBank Group 4.00% 19/09/2029	EUR	4,000,000	3,131	0.70
			3,131	0.70
Jersey 3.11% (2.74%)				
AA Bond 6.27% 02/07/2043	GBP	3,850,000	4,129	0.92
AA Bond 5.50% 31/07/2043	GBP	6,000,000	5,486	1.23
Adient Global Holdings 3.50% 15/08/2024	EUR	5,500,000	4,321	0.96
			13,936	3.11
Luxembourg 1.80% (3.23%)				
Altice Finco 4.75% 15/01/2028	EUR	2,750,000	2,034	0.45
Galapagos Holding 7.00% 15/06/2022	EUR	6,000,000	2,627	0.59
Kleopatra Holdings 1 8.50% 30/06/2023	EUR	5,568,000	3,389	0.76
			8,050	1.80
Mexico 1.65% (1.32%)				
America Movil, FRN 6.37% 06/09/2073	GBP	7,000,000	7,410	1.65
			7,410	1.65

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Netherlands 3.87% (3.34%)				
Koninklijke KPN, FRN 6.88% 14/03/2073	GBP	5,500,000	5,791	1.29
Telefonica Europe, FRN 6.75% Perpetual	GBP	8,000,000	8,555	1.91
Volkswagen International Finance, FRN 4.62% Perpetual	EUR	3,500,000	2,999	0.67
			17,345	3.87
South Africa 0.00% (0.13%)				
Switzerland 1.48% (0.57%)				
Credit Suisse Group, FRN 2.13% 12/09/2025	GBP	3,000,000	2,860	0.64
UBS Group Funding Switzerland, FRN 6.87% Perpetual	USD	5,000,000	3,762	0.84
			6,622	1.48
United Kingdom 42.79% (31.51%)				
Anglian Water Osprey Financing 4.00% 08/03/2026	GBP	5,901,000	5,479	1.22
Annington Funding 2.65% 12/07/2025	GBP	7,601,000	7,453	1.66
Aviva, FRN 5.13% 04/06/2050†	GBP	5,500,000	5,401	1.21
Barclays 3.25% 12/02/2027	GBP	6,500,000	6,296	1.41
Barclays Bank, FRN 14.00% Perpetual	GBP	10,000,000	10,733	2.40
Debenhams 5.25% 15/07/2021	GBP	1,353,000	960	0.21
DS Smith 2.88% 26/07/2029	GBP	3,700,000	3,514	0.78
Eversholt Funding 6.70% 22/02/2035	GBP	1,900,000	2,382	0.53
First Hydro Finance 9.00% 31/07/2021	GBP	1,100,000	1,308	0.29
Grainger 3.38% 24/04/2028	GBP	4,286,000	4,211	0.94
Greene King Finance, Series B1 5.70% 15/12/2034	GBP	6,266,000	5,836	1.30
Heathrow Finance 3.88% 01/03/2027	GBP	6,000,000	5,688	1.27
House of Fraser Funding, FRN 6.55% 15/09/2020	GBP	1,466,000	235	0.05
HSBC Holdings 6.75% 11/09/2028	GBP	5,300,000	6,613	1.48
HSBC Holdings, FRN 5.88% Perpetual	GBP	3,707,000	3,665	0.82
Imperial Brands Finance 6.25% 04/12/2018	GBP	9,210,000	9,268	2.07
Imperial Brands Finance 9.00% 17/02/2022	GBP	5,500,000	6,701	1.50
Investec Bank 9.63% 17/02/2022	GBP	2,000,000	2,366	0.53
Investec Bank, FRN 4.25% 24/07/2028	GBP	3,435,000	3,355	0.75
Iron Mountain UK 3.88% 15/11/2025	GBP	2,539,000	2,401	0.54
Keystone Financing 9.50% 15/10/2019	GBP	1,140,684	1,143	0.26
Legal & General Group, FRN 10.00% 23/07/2041	GBP	10,000,000	11,936	2.67
Lloyds Bank 7.63% 22/04/2025	GBP	4,000,000	5,025	1.12
Lloyds Bank, FRN 12.00% Perpetual	USD	11,000,000	10,210	2.28
Mitchells & Butlers Finance, FRN 2.92% 15/06/2036	GBP	4,000,000	3,011	0.67
New Look Senior Issuer 8.00% 01/07/2023	GBP	7,000,000	1,820	0.41
Prudential, FRN 11.37% 29/05/2039	GBP	8,600,000	9,111	2.04
Prudential, FRN 5.63% 20/10/2051	GBP	2,927,000	2,955	0.66
RAC Bond 5.00% 06/05/2046	GBP	5,000,000	4,699	1.05
RELX Investments 2.75% 01/08/2019	GBP	6,100,000	6,142	1.37
Saga 3.38% 12/05/2024	GBP	5,500,000	5,161	1.15
Segro, REIT 2.88% 11/10/2037	GBP	6,700,000	6,180	1.38
Spirit Issuer 5.47% 28/12/2034	GBP	5,500,000	5,741	1.28
TES Finance 6.75% 15/07/2020	GBP	3,500,000	3,326	0.74
Travis Perkins 4.38% 15/09/2021	GBP	3,000,000	3,026	0.68
Tritax Big Box REIT 2.63% 14/12/2026	GBP	5,000,000	4,886	1.09
Virgin Media Secured Finance 5.00% 15/04/2027	GBP	10,000,000	9,898	2.21
Vodafone Group, FRN 4.87% 03/10/2078	GBP	3,500,000	3,450	0.77
			191,585	42.79

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 11.92% (17.30%)				
AT&T 4.38% 14/09/2029	GBP	5,000,000	5,388	1.20
AT&T 4.25% 01/06/2043	GBP	2,000,000	2,038	0.46
Citigroup 4.50% 03/03/2031	GBP	3,559,000	3,853	0.86
Dell International 6.02% 15/06/2026	USD	5,000,000	3,990	0.89
Equinix, REIT 2.88% 01/02/2026	EUR	6,000,000	5,170	1.16
Goldman Sachs Group 3.13% 25/07/2029	GBP	4,924,000	4,834	1.08
IQVIA 2.88% 15/09/2025	EUR	2,976,000	2,554	0.57
JPMorgan Chase, FRN 4.62% Perpetual	USD	12,200,000	8,607	1.92
Refinitiv US Holdings 4.50% 15/05/2026	EUR	4,667,000	4,100	0.92
Time Warner Cable 5.25% 15/07/2042	GBP	2,500,000	2,701	0.60
Vantiv 3.88% 15/11/2025	GBP	5,000,000	4,880	1.09
Verizon Communications 2.88% 15/01/2038	EUR	6,000,000	5,243	1.17
			53,358	11.92
Corporate Bonds total			**339,875**	**75.90**
Swaps (0.12)% ((0.30)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	45,000,000	(543)	(0.12)
Swaps total			**(543)**	**(0.12)**
Forward Currency Contracts 0.99% ((0.69)%)				
Buy EUR 9,300,000 sell GBP 8,289,768 dated 07/12/2018			(88)	(0.02)
Buy GBP 58,790,646 sell EUR 64,872,000 dated 07/12/2018			1,581	0.35
Buy GBP 116,510,384 sell USD 149,928,708 dated 07/12/2018			2,987	0.67
Buy USD 8,429 sell ARS 367,000 dated 07/12/2018			–	–
Buy USD 5,200,000 sell GBP 3,978,944 dated 07/12/2018			(42)	(0.01)
Forward Currency Contracts total			**4,438**	**0.99**
Futures 0.23% (0.14%)				
Euro-Bund 06/12/2018	EUR	(60)	106	0.02
Euro-Buxl 06/12/2018	EUR	(11)	39	0.01
Long Gilt 27/12/2018	GBP	(399)	537	0.12
US 10 Year Note 19/12/2018	USD	(232)	319	0.07
US Long Bond 19/12/2018	USD	(10)	44	0.01
Futures total			**1,045**	**0.23**
Liquidity Funds 0.54% (2.62%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	2,400,000	2,400	0.54
Liquidity Funds total			**2,400**	**0.54**
Investment assets (including investment liabilities)			415,627	92.82
Net other assets			32,127	7.18
Net assets			**447,754**	**100.00**

All holdings are debt securities and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(27,617)		2,415
Revenue	3	22,951		20,473	
Expenses	4	(2,905)		(2,859)	
Net revenue before taxation		20,046		17,614	
Taxation	5	–		–	
Net revenue after taxation			20,046		17,614
Total return before distributions			**(7,571)**		**20,029**
Distributions	6		(20,046)		(17,622)
Change in net assets attributable to shareholders from investment activities			**(27,617)**		**2,407**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**581,026**		**477,122**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	67,170		114,552	
Amounts payable on cancellation of shares	(179,897)		(19,131)	
		(112,727)		95,421
Dilution adjustment		29		132
Change in net assets attributable to shareholders from investment activities (see above)		(27,617)		2,407
Retained distribution on accumulation shares		7,043		5,944
Closing net assets attributable to shareholders		**447,754**		**581,026**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	416,300	568,981
Current assets:			
Debtors	8	10,801	27,446
Cash and bank balances	9	26,433	17,651
Total assets		**453,534**	**614,078**
Liabilities:			
Investment liabilities	7	(673)	(5,827)
Creditors:			
Distribution payable		(2,811)	(3,333)
Other creditors	10	(2,296)	(23,892)
Total liabilities		**(5,780)**	**(33,052)**
Net assets attributable to shareholders		**447,754**	**581,026**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency gains	15	987
Derivative contracts gains	1,456	523
Expenses relating to the purchase and sale of investments	(5)	(6)
Forward currency contracts (losses)/gains	(3,348)	11,912
Non-derivative securities losses	(25,735)	(11,001)
Net capital (losses)/gains	**(27,617)**	**2,415**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	–	62
Interest on debt securities	23,465	21,396
Income from derivatives	(514)	(985)
Total revenue	**22,951**	**20,473**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	2,539	2,332
Registration fees	256	356
	2,795	2,688
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	40	62
Interest payable	23	42
Safe custody fee	31	42
	94	146
Other expenses:		
Audit fee**	7	11
Printing and postage expenses	1	2
Statement fees	8	12
	16	25
Total expenses	**2,905**	**2,859**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,273 (2017: £8,848) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	–	–
Total current tax (see note 5b)	**–**	**–**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**20,046**	**17,614**
Corporation tax at 20%	4,009	3,523
Effects of:		
Tax deductible on interest distributions	(4,009)	(3,523)
	(4,009)	(3,523)
Current tax charge (see note 5a)	**–**	**–**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Gross interest distribution for the three months ended 15 January	5,402	4,319
Gross interest distribution for the three months ended 15 April	4,517	4,235
Gross interest distribution for the three months ended 15 July	4,725	4,528
Gross interest distribution for the three months ended 15 October	4,814	4,990
	19,458	18,072
Add: Revenue deducted on cancellation of shares	819	88
Deduct: Revenue received on issue of shares	(231)	(538)
Total distributions	**20,046**	**17,622**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	20,046	17,622
Equalisation on conversions	–	(8)
Net revenue after taxation	**20,046**	**17,614**

Details of the distributions per share are set out in the distribution tables on pages 256 and 257.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	Assets at £000	Liabilities at £000	Assets at £000	Liabilities at £000
Level 1: Quoted prices	1,045	–	16,024	(10)
Level 2: Observable market data	415,255	(673)	552,957	(5,817)
Total value	**416,300**	**(673)**	**568,981**	**(5,827)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	6,728	7,304
Amounts receivable on issue of shares	362	11,990
Overseas tax recoverable	95	95
Sales awaiting settlement	3,616	8,057
Total debtors	**10,801**	**27,446**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing house and brokers	11	35
Cash and bank balances	26,422	17,616
Total cash and bank balances	**26,433**	**17,651**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	265	392
Amounts payable for cancellation of shares	542	–
Purchases awaiting settlement	1,489	23,500
Total other creditors	**2,296**	**23,892**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £265,009 (2017: £294,409). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £7,562,087 (2017: £6,318,836). The amount outstanding at the year end was £2,115,799 (2017: £1,769,983). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £249,400,000 (2017: £198,800,000) and £264,200,000 (2017: £194,200,000) respectively. The income received during the year amounted to £344,225 (2017: £324,904).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Income shares)	–	(20,588)	20,588
ACD and related parties (Class 2 Income shares)	10,347,000	(1,899,932)	12,246,932
ACD and related parties (Class 3 Accumulation shares)	84,846,075	(437,412)	85,283,487

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 and Class 5 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee is as follows:

Class 1: 0.88%
Class 2: 0.63%
Class 3: 0.33%
Class 5: 0.58%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 243 and 244. The distributions per share are given in the distribution tables on pages 256 and 257. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	4,155,254	126,900	(3,260,147)	(13,438)	1,008,569
Class 2 Income shares	265,275,262	47,698,811	(153,000,552)	(164,346)	159,809,175
Class 5 Income shares	102,383,647	9,066,944	(7,010,504)	189,769	104,629,856
Class 3 Accumulation shares	85,283,487	2,750,213	(3,187,625)	–	84,846,075

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts, futures and credit default swaps for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 15 October 2018 was as follows:

	15.10.18 %	15.10.17 %
As at 15 October, the company's value at risk is		
During the financial year, the highest utilisation of value at risk was	(1.21)	(1.30)
During the financial year, the average utilisation of value at risk was	(1.44)	(1.70)
During the financial year, the lowest utilisation of value at risk was	(1.63)	(2.27)

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

As at 15 October 2018 the average leverage was 50% (2017: 63%).

Market price risk

At the year end date, 92.82% (2017: 96.92%) of the net assets of the Fund were invested in debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.28% (2017: 9.69%).

16 Counterparty exposure

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts,futures contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	(77)	–	(77)
Goldman Sachs	1,581	–	1,581
JPMorgan	–	1,045	1,045
Royal Bank of Scotland	2,987	–	2,987
UBS	(53)	–	(53)
Total	**4,438**	**1,045**	**5,483**

15.10.17	Forward currency contracts £000	Futures contracts £000	Total £000
Citibank	20	–	20
Goldman Sachs	(3,603)	–	(3,603)
JPMorgan	(11)	824	813
Royal Bank of Scotland	12	–	12
Société Générale	(422)	–	(422)
Total	**(4,004)**	**824**	**(3,180)**

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts and credit default swaps it is only the positive mark to market value that are reported.

At the year end date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above (2017: £nil).

Collateral

At the year end date no collateral was held or pledged by the Company or on behalf of the counterparties in respect of the above (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	243,144	313,894	54.30%	54.03%
Below investment grade securities	163,600	219,005	36.54%	37.68%
Unrated securities	1,543	20,009	0.34%	3.44%
Total debt securities	**408,287**	**552,908**	**91.18%**	**95.15%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 15 October 2018 (2017: £nil). The total purchases for the year amounted to £480,809,468 (2017: £483,233,647) and the total sales amounted to £611,454,766 (2017: £372,728,875).

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.74% (2017: 0.55%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	0.6789	–	0.6789	0.5189
	Group 2	0.3089	0.3700	0.6789	0.5189
Class 2 Income shares	Group 1	1.0930	–	1.0930	0.9198
	Group 2	0.5641	0.5289	1.0930	0.9198
Class 5 Income shares	Group 1	1.0105	–	1.0105	0.8512
	Group 2	0.5087	0.5018	1.0105	0.8512

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Accumulation shares	Group 1	2.3604	–	2.3604	1.9432
	Group 2	1.0119	1.3485	2.3604	1.9432

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the three months ended 15 July 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Income shares	Group 1	0.5726	–	0.5726	0.4812
	Group 2	0.4473	0.1253	0.5726	0.4812
Class 2 Income shares	Group 1	0.9663	–	0.9663	0.8657
	Group 2	0.5100	0.4563	0.9663	0.8657
Class 5 Income shares	Group 1	0.8945	–	0.8945	0.7883
	Group 2	0.4060	0.4885	0.8945	0.7883

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 3 Accumulation shares	Group 1	2.0818	–	2.0818	1.8232
	Group 2	1.3624	0.7194	2.0818	1.8232

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	0.4692	–	0.4692	0.4674
	Group 2	0.1375	0.3317	0.4692	0.4674
Class 2 Income shares	Group 1	0.8391	–	0.8391	0.8410
	Group 2	0.4245	0.4146	0.8391	0.8410
Class 5 Income shares	Group 1	0.7786	–	0.7786	0.7620
	Group 2	0.3899	0.3887	0.7786	0.7620

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Accumulation shares	Group 1	1.8114	–	1.8114	1.7566
	Group 2	1.2750	0.5364	1.8114	1.7566

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the three months ended 15 January 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Income shares	Group 1	0.5199	–	0.5199	0.4033
	Group 2	0.2668	0.2531	0.5199	0.4033
Class 2 Income shares	Group 1	0.9346	–	0.9346	0.7168
	Group 2	0.5704	0.3642	0.9346	0.7168
Class 5 Income shares	Group 1	0.8660	–	0.8660	0.5460
	Group 2	0.5595	0.3065	0.8660	0.5460

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 3 Accumulation shares	Group 1	1.9922	–	1.9922	1.4783
	Group 2	1.0652	0.9270	1.9922	1.4783

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS EUROPEAN EQUITY FUND

The name of the Fund was changed to the Aviva Investors Continental European Equity Fund on 2 January 2019.

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.

As at the date of these financial statements, the Fund's investment objective and investment policy were as set out above. As a post balance sheet event and as noted in the Significant Information section earlier in this report, on 2 January 2019, these were amended. For full details of the revised investment objective and investment policy, please refer to the Fund's key investor information document or the Prospectus.

FUND MANAGER'S REPORT

On 4 June 2018, share class A of this Fund was closed and merged into share class 1.

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of -9.71 per cent (share class 1), net of fees, compared to an average return of -8.15 per cent for its peer group the Investment Association Europe excluding UK sector. The Fund's benchmark, the FTSE® AW Europe ex UK Index, returned -6.53 per cent.

Review
Returns from European equities have been disappointing, with the region underperforming broader global stock markets over the year under review. Although corporate earnings growth has been broadly positive, sentiment has been impacted by the escalating trade dispute between the US and China while regional political concerns have resurfaced in recent months, most notably in Italy. The new coalition government comprising the populist Five Star Movement and the Northern League is potentially on a collision course with the European Central Bank (ECB) over its spending plans, which threaten to breach the latter's fiscal deficit limits. This has reawakened the debate on the existential future of the Eurozone. Only the oil & gas and technology sectors gained ground with the former outperforming by a substantial margin. A rebound in the oil price, which rallied to just below $81/barrel (Brent Crude) at the end of the reporting year, its highest level since late 2014, drove energy stocks while the technology sector was underpinned by robust earnings growth.

Looking at the economic background, although the Eurozone economy grew at its fastest pace for a decade in 2017 there has been some loss of momentum during the first half of 2018 with a slowdown in Germany and France – the region's two largest economies. Nevertheless, the ECB had sufficient confidence in the economic outlook for the region to announce that it would cease its monthly asset purchase programme by the end of 2018. With inflation remaining subdued the ECB has signalled interest rates are likely to remain on hold, with its benchmark refinancing rate at 0%, at least until mid 2019.

Exposure to consumer stocks and an underweight position in the oil & gas sector, relative to the benchmark FTSE® Europe ex UK Index, were the main factors that detracted from the Fund's performance over the year under review.

Amongst consumer stocks, our holding in jewellery retailer Pandora detracted. Earnings were hit by an unexpected slowdown in China and the company subsequently issued a further profit warning in the summer and announced that the CEO would be leaving the company, which led us to exit our position. During the summer months, financial markets became increasingly concerned about trade wars and protectionism as President Trump pursued his America First agenda. The imposition of tariffs hit the exporter-heavy German market in particular, and our holding in automotive manufacturer Continental detracted as the market worried about the negative impact of increasing trade tensions between China and the USA on earnings prospects for the autos industry, alongside increasing competition in the tyre business and a worsening global automotive environment. After releasing its second quarter financial results in August, the company issued a profits warning. Our holding in Ryanair has weighed on performance in recent months. A combination of higher fuel costs and the impact of strikes amongst pilots and cabin crew at several of its bases, led the budget airline to issue a profit warning in early October, reducing its full-year earnings forecast and shrinking its winter capacity with the closure or downsizing of three bases.

As highlighted in the market review section above, oil & gas was the best performing sector over the year under review and the fund's underweight position detracted from performance.

Elsewhere, exposure to the financials sector detracted, notably in Italy where our holdings in banking group Intesa SanPaolo and asset manager Anima weakened on political concerns, focused on the new coalition government and its populist policy agenda. The coalition government formed in June is pledging to increase public spending, cut taxes and reverse unpopular pension reforms. As a result, Italian government bond yields have risen and the spread between 10-year German and Italian debt – a closely monitored measure of the risk premium demanded to hold Italian bonds – recorded a five-and-a-half year high in October. Against this backdrop, shares in Italian banks and other financials have sold off sharply in recent months.

AVIVA INVESTORS EUROPEAN EQUITY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

The Fund retained a substantial overweight position in technology stocks, relative to the benchmark index. Holdings in Temenos, SAP and Amadeus all performed strongly. Spanish Travel technology group Amadeus announced the acquisition of Travelclick, which helps the business with its diversification into the Hotel IT sector. Business software group SAP's growth trajectory continued as the company's S4 HANA operating system gained further traction. As the year under review ended, Swiss banking software provider Temenos announced strong third quarter results and raised full-year earnings guidance. The company has won new business in the US, Asia and Europe, where growth has been broad based across its client bank. Amongst other technology stocks, we participated in IPOs for Knorr Bremse and Shurgard. Knorr is the world's leading manufacturer of braking systems and supplier of additional sub-systems for rail and commercial vehicles. The company is a highly profitable industrial player with a strong aftermarket growth opportunity in the rail division in China. Shurgard has a scalable efficient platform from public storage, with structural growth drivers in place and benefiting from strong pricing environment from a mature customer base. This should provide resilient revenue growth in the event of any downturn with strong opportunities for growth through merger and acquisition activity.

Outlook

Economic growth in the Eurozone slowed noticeably in the first half of 2018 and the rest of the year is not likely to see any improvement according to leading indicators. But a slowdown from last year's stellar pace of growth was always likely and probably desirable as capacity buffers are coming into view. Headline inflation is finally at target and although core inflation remains stubbornly low at around 1%, the ECB has been encouraged by the drift up in wages across the Eurozone which should feed through to inflation more generally in coming months. Nevertheless, they remain relaxed about their tightening timetable, perhaps signalling that they would happily accommodate modest inflation overshoots. We remain broadly constructive on the fundamental outlook for European equities, but downside risks from global trade tensions and other political factors makes us somewhat more cautious on the near-term outlook.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 260 and 261 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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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Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Banco Santander	Unilever, CVA
LVMH Moet Hennessy Louis Vuitton	Roche Holding
Telefonica	Temenos Group
CaixaBank	Pernod Ricard
Airbus	TOTAL
Fresenius	Ablynx
Air Liquide	Publicis Groupe
BNP Paribas	Sodexo
Stabilus	Infineon Technologies

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'.
- The value of investments will be affected by changes in exchange rates.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	250.41	214.54	169.93
Return before operating charges†	(21.72)	38.15	46.49
Operating charges	(2.51)	(2.28)	(1.88)
Return after operating charges†	(24.23)	35.87	44.61
Distributions	(3.42)	(2.55)	(1.81)
Retained distributions on accumulation shares	3.42	2.55	1.81
Closing net asset value per share	226.18	250.41	214.54
† after direct transaction costs of	(0.17)	(0.16)	(0.15)
Performance			
Return after charges (%)	(9.68)%	16.72%	26.25%
Other information			
Closing net asset value (£000)	118,561	125,946	116,462
Closing number of shares	52,419,736	50,296,455	54,284,226
Operating charges (%)‡	1.00%	1.00%	1.00%
Direct transaction costs (%)#	0.07%	0.07%	0.07%
Prices≈			
Highest share price	259.42	252.66	217.16
Lowest share price	226.07	195.96	166.73

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	390.81	334.37	264.46
Return before operating charges†	(33.97)	59.51	72.41
Operating charges	(3.34)	(3.07)	(2.50)
Return after operating charges†	(37.31)	56.44	69.91
Distributions	(5.94)	(4.60)	(3.45)
Retained distributions on accumulation shares	5.94	4.60	3.45
Closing net asset value per share	353.50	390.81	334.37
† after direct transaction costs of	(0.27)	(0.25)	(0.24)
Performance			
Return after charges (%)	(9.55)%	16.88%	26.43%
Other information			
Closing net asset value (£000)	29,521	35,316	29,675
Closing number of shares	8,351,233	9,036,788	8,874,729
Operating charges (%)‡	0.85%	0.86%	0.85%
Direct transaction costs (%)#	0.07%	0.07%	0.07%
Prices≈			
Highest share price	405.05	394.33	338.44
Lowest share price	353.33	305.48	259.60

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	400.96	347.10	277.18
Return before operating charges†	(34.94)	61.78	75.98
Operating charges	(1.42)	(1.34)	(1.06)
Return after operating charges†	(36.36)	60.44	74.92
Distributions	(8.10)	(6.58)	(5.00)
Closing net asset value per share	356.50	400.96	347.10
† after direct transaction costs of	(0.28)	(0.26)	(0.24)
Performance			
Return after charges (%)	(9.07)%	17.41%	27.03%
Other information			
Closing net asset value (£000)	18,192	16,901	17,279
Closing number of shares	5,102,809	4,214,982	4,978,001
Operating charges (%)‡	0.35%	0.36%	0.35%
Direct transaction costs (%)#	0.07%	0.07%	0.07%
Prices≈			
Highest share price	416.19	410.00	355.39
Lowest share price	363.01	317.30	272.56

COMPARATIVE TABLES (CONTINUED)

Financial year Class A Accumulation shares	2018§ p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	243.45	209.96	167.40
Return before operating charges†	(240.91)	37.19	45.59
Operating charges	(2.54)	(3.70)	(3.03)
Return after operating charges†	(243.45)	33.49	42.56
Distributions	–	(1.05)	(0.57)
Retained distributions on accumulation shares	–	1.05	0.57
Closing net asset value per share	–	243.45	209.96
† after direct transaction costs of	–	(0.16)	(0.15)
Performance			
Return after charges (%)	–	15.95%	25.42%
Other information			
Closing net asset value (£000)	–	14,434	13,269
Closing number of shares	–	5,929,089	6,319,938
Operating charges (%)‡	1.65%	1.66%	1.65%
Direct transaction costs (%)#	–	0.07%	0.07%
Prices≈			
Highest share price	251.73	245.65	212.53
Lowest share price	229.84	191.61	163.89

§ The share class was closed 1 June 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.00%	1.00%
Class 2	0.85%	0.86%
Class 3	0.35%	0.36%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1, when aggregated with certain other payments out of scheme property incurred in respect of it, is capped at 1.00%. Please see the Prospectus for full details.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.72% (98.04%)				
Austria 0.62% (0.00%)				
ams	CHF	28,010	1,023	0.62
			1,023	0.62
Belgium 0.34% (3.12%)				
Bone Therapeutics	EUR	80,753	563	0.34
			563	0.34
Denmark 0.00% (3.48%)				
Finland 1.19% (0.00%)				
Nokian Renkaat	EUR	68,173	1,984	1.19
			1,984	1.19
France 32.11% (32.13%)				
Air Liquide	EUR	71,759	6,589	3.96
Amplitude Surgical	EUR	293,017	789	0.47
Amundi	EUR	94,580	4,918	2.96
AXA	EUR	261,275	5,192	3.12
BNP Paribas	EUR	109,879	4,824	2.90
EssilorLuxottica	EUR	43,857	4,380	2.63
Legrand	EUR	52,190	2,613	1.57
LVMH Moet Hennessy Louis Vuitton	EUR	26,269	5,974	3.59
Orange	EUR	310,411	3,718	2.24
Schneider Electric	EUR	82,571	4,514	2.72
SPIE	EUR	159,580	2,086	1.26
Thales	EUR	42,743	4,071	2.45
Worldline	EUR	97,559	3,722	2.24
			53,390	32.11
Germany 18.30% (16.26%)				
Bayer	EUR	61,959	4,267	2.57
Continental	EUR	29,456	3,600	2.16
Deutsche Boerse	EUR	42,674	4,119	2.48
Fresenius	EUR	127,876	7,459	4.48
Knorr-Bremse	EUR	34,990	2,538	1.53
Probiodrug	EUR	21,784	47	0.03
SAP	EUR	98,258	8,399	5.05
			30,429	18.30
Ireland 4.24% (6.64%)				
Glanbia	EUR	18,771	237	0.14
Kerry Group 'A'	EUR	41,693	3,292	1.98
Malin	EUR	107,873	418	0.25
Ryanair Holdings	EUR	312,161	3,105	1.87
			7,052	4.24
Italy 7.26% (6.99%)				
Anima Holding	EUR	910,258	3,030	1.82
Cerved Information Solutions	EUR	252,909	1,807	1.09
Intesa Sanpaolo	EUR	2,302,131	4,161	2.50
Newron Pharmaceuticals	CHF	56,523	367	0.22
Pirelli & C	EUR	485,379	2,700	1.63
			12,065	7.26
Luxembourg 3.75% (1.13%)				
Shurgard Self Storage Europe	EUR	118,105	2,578	1.55
Stabilus	EUR	68,819	3,659	2.20
			6,237	3.75

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Netherlands 11.34% (13.45%)				
ABN AMRO Group, CVA	EUR	201,332	4,027	2.42
Airbus	EUR	48,364	4,192	2.52
ASML Holding	EUR	57,567	7,497	4.51
IMCD Group	EUR	31,092	1,623	0.98
STMicroelectronics	EUR	121,447	1,515	0.91
			18,854	11.34
Spain 14.10% (3.68%)				
Amadeus IT Group 'A"	EUR	83,054	5,121	3.08
Banco Santander	EUR	1,617,020	6,021	3.62
Bankinter	EUR	298,432	2,068	1.24
CaixaBank	EUR	1,410,149	4,764	2.86
Telefonica	EUR	886,073	5,479	3.30
			23,453	14.10
Sweden 1.74% (1.32%)				
Coor Service Management Holding	SEK	486,666	2,895	1.74
			2,895	1.74
Switzerland 2.73% (8.59%)				
Cie Financiere Richemont	CHF	37,998	2,078	1.25
GeNeuro	EUR	27,553	103	0.06
Temenos Group	CHF	24,143	2,354	1.42
			4,535	2.73
United Kingdom 1.00% (1.25%)				
Avacta Group#	GBP	264,154	61	0.04
Oxford Biomedica	GBP	101,025	770	0.46
ReNeuron Group#	GBP	10,103	6	–
Silence Therapeutics#	GBP	156,300	181	0.11
TechnipFMC	EUR	19,373	447	0.27
Verona Pharma#	GBP	192,625	202	0.12
			1,667	1.00
Equities total			**164,147**	**98.72**
Liquidity Funds 0.00% (0.05%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	1,100	1	–
Liquidity Funds total			**1**	**–**
Investment assets			164,148	98.72
Net other assets			2,126	1.28
Net assets			**166,274**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.

The comparative percentage figures shown in brackets are as at 15 October 2017.

Security traded on another regulated market.

† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital (losses)/gains	2		(20,531)		26,755
Revenue	3	4,924		4,342	
Expenses	4	(1,790)		(1,764)	
Net revenue before taxation		3,134		2,578	
Taxation	5	(403)		(433)	
Net revenue after taxation			2,731		2,145
Total return before distributions			**(17,800)**		**28,900**
Distributions	6		(2,788)		(2,144)
Change in net assets attributable to shareholders from investment activities			**(20,588)**		**26,756**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**192,597**		**176,685**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	9,142		9,446	
Amounts payable on cancellation of shares	(17,186)		(22,052)	
		(8,044)		(12,606)
Dilution adjustment		19		–
Change in net assets attributable to shareholders from investment activities (see above)		(20,588)		26,756
Retained distribution on accumulation shares		2,290		1,762
Closing net assets attributable to shareholders		**166,274**		**192,597**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	164,148	188,925
Current assets:			
Debtors	8	1,253	829
Cash and bank balances	9	6,977	3,482
Total assets		**172,378**	**193,236**
Liabilities:			
Creditors:			
Distribution payable		(342)	(227)
Other creditors	10	(5,762)	(412)
Total liabilities		**(6,104)**	**(639)**
Net assets attributable to shareholders		**166,274**	**192,597**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency losses	(24)	(76)
Expenses relating to the purchase and sale of investments	(3)	(19)
Non-derivative securities (losses)/gains	(20,504)	26,850
Net capital (losses)/gains	**(20,531)**	**26,755**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	170	–
Interest on debt securities	3	1
Overseas dividends	4,751	4,307
Stock dividends	–	34
Total revenue	**4,924**	**4,342**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	1,736	1,682
Registration fees	31	48
	1,767	1,730
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	17	25
Interest payable	–	13
Safe custody fee	19	29
	36	67
Other expenses:		
Audit fee**	7	10
Printing and postage expenses	–	1
Professional fee	18	24
Statement fee	3	6
	28	41
Total expenses	**1,831**	**1,838**
Less those expenses rebated by the ACD	(41)	(74)
Net expenses	**1,790**	**1,764**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £8,726 (2017: £8,326) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Overseas tax suffered	403	433
Total current tax (see note 5b)	**403**	**433**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**3,134**	**2,578**
Corporation tax at 20%	627	516
Effects of:		
Overseas dividends not subject to corporation tax	(950)	(861)
Stock dividends not subject to corporation tax	–	(7)
Expenses not deductible for tax purposes	–	(1)
Irrecoverable overseas withholding tax	403	433
Movement in excess management expenses	323	351
Non-trade deficit set against current year income	–	2
	(224)	(53)
Current tax charge (see note 5a)	**403**	**433**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

At the balance sheet date, there is a potential deferred tax asset of £4,266,373 (2017: £3,942,983) in respect of unutilised management expenses of £21,331,864 (2017: £19,714,913). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	129	105
Final distribution	2,578	1,940
	2,707	2,045
Add: Revenue deducted on cancellation of shares	97	128
Deduct: Revenue received on issue of shares	(16)	(29)
Total distributions	**2,788**	**2,144**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	2,788	2,144
Equalisation on conversions	(57)	(2)
Other fees borne by capital account	–	3
Net revenue after taxation	**2,731**	**2,145**

Details of the distributions per share are set out in the distribution tables on page 272.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	164,147	188,825
Level 2: Observable market data	1	100
Total value	**164,148**	**188,925**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	–	7
Accrued expense fee rebate	–	8
Amounts receivable on issue of shares	–	17
Corporation tax recoverable	68	69
Overseas tax recoverable	330	207
Sales awaiting settlement	855	521
Total debtors	**1,253**	**829**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	6,977	3,482
Total cash and bank balances	**6,977**	**3,482**

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	188	246
Amounts payable for cancellation of shares	213	166
Purchases awaiting settlement	5,361	–
Total other creditors	**5,762**	**412**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/ Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/ Fund Management Fee was £188,328 (2017: £207,326). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £486,096 (2017: £332,926). The amount outstanding at the year end was £407,127 (2017: £275,527). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £16,200,000 (2017: £12,100,000) and £16,299,000 (2017: £11,999,900) respectively. The income received during the year amounted to £3,614 (2017: £1,053).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 3 Income shares)	5,102,809	887,827	4,214,982
ACD and related parties (Class 1 Accumulation shares)	9,398	6,188	3,210
ACD and related parties (Class 2 Accumulation shares)	1,166,747	570,066	596,681
ACD and related parties (Class A Accumulation shares)	–	(2,202,899)	2,202,899

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee are as follows:

Class 1: 1.00%
Class 2: 0.85%
Class 3: 0.35%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 260 and 261. The distributions per share are given in the distribution tables on page 272. All the share classes have the same rights on winding up.

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 3 Income shares	4,214,982	1,546,233	(658,406)	–	5,102,809
Class 1 Accumulation shares	50,296,455	161,694	(3,565,093)	5,526,680	52,419,736
Class 2 Accumulation shares	9,036,788	526,448	(1,402,893)	190,890	8,351,233
Class A Accumulation shares	5,929,089	224,932	(138,061)	(6,015,960)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 98.06% (2017: 97.64%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.81% (2017: 9.76%).

	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
Currency	15.10.18	15.10.17	15.10.18	15.10.17	15.10.18	15.10.17
Danish krone	49	263	–	6,701	49	6,964
Euro	(440)	468	154,210	160,154	153,770	160,622
Swedish krona	–	82	2,895	2,548	2,895	2,630
Swiss franc	512	736	5,822	17,019	6,334	17,755
US dollar	–	90	–	–	–	90

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 4.20% (2017: 1.86%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 98.72% (2017: 98.09%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.87% (2017: 9.81%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(75,101)	(22)	(90)	(75,213)	0.03%	0.12%
Funds	(16,200)	–	–	(16,200)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(868)	–	–	(868)	0.00%	0.00%
	(92,169)	(22)	(90)	(92,281)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	79,854	(29)	–	79,825	0.04%	0.00%
Funds	16,299	–	–	16,299	0.00%	0.00%
	96,153	(29)	–	96,124		
Total		(51)	(90)			
Percentage of Fund average net assets		0.02%	0.05%			

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(29,443)	(31)	(62)	(29,536)	0.11%	0.21%
Funds	(12,100)	–	–	(12,100)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(378)	–	–	(378)	0.00%	0.00%
	(41,921)	(31)	(62)	(42,014)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	42,250	(34)	–	42,216	0.08%	0.00%
Funds	12,000	–	–	12,000	0.00%	0.00%
	54,250	(34)	–	54,216		
Total		(65)	(62)			
Percentage of Fund average net assets		0.04%	0.03%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.12% (2017: 0.13%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 3 Income shares	Group 1	6.7034	–	6.7034	5.3843
	Group 2	0.6788	6.0246	6.7034	5.3843

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	3.3827	–	3.3827	2.5193
	Group 2	0.1905	3.1922	3.3827	2.5193
Class 2 Accumulation shares	Group 1	5.5494	–	5.5494	4.2390
	Group 2	1.8721	3.6773	5.5494	4.2390
Class A Accumulation shares	Group 1	0.0000	–	0.0000	1.0534
	Group 2	0.0000	0.0000	0.0000	1.0534

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

Interim distribution paid in pence per share for the six months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 3 Income shares	Group 1	1.3999	–	1.3999	1.1940
	Group 2	1.1227	0.2772	1.3999	1.1940

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	0.0417	–	0.0417	0.0262
	Group 2	0.0399	0.0018	0.0417	0.0262
Class 2 Accumulation shares	Group 1	0.3897	–	0.3897	0.3622
	Group 2	0.3357	0.0540	0.3897	0.3622
Class A Accumulation shares	Group 1	0.0000	–	0.0000	0.0000
	Group 2	0.0000	0.0000	0.0000	0.0000

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, the Fund delivered a total return of 3.53 per cent (share class 1), net of fees, compared with an average return of 1.35 per cent for its peer group the Investment Association UK All Companies sector. The FTSE® World ex UK Index, the fund's benchmark, returned 4.54 per cent.

The Fund has tracked below its benchmark the FTSE® World ex UK Index during the year ended 15 October 2018. There are a number of factors including charges and fees, portfolio re-balancing, index re-balancing and timing that can result in the Fund tracking above or below its benchmark during a period. The Fund manager does not consider the above tracking divergence to be significant.

Review
A combination of an improving global economic outlook, low inflation and supportive central bank policies have underpinned international equity markets worldwide over the last twelve months.

US equities have outperformed international indices by a substantial margin. The rally has been led by the consumer discretionary sectors and technology stocks, which have generally exhibited strong earnings momentum. Healthcare providers have also outperformed the broader market, while basic materials, consumer staples and real estate have lagged the index. As the year progressed, investors focused on the prospect of corporation tax cuts with Congress passing the Trump administration's tax reforms in December. The prevailing mood of optimism and accelerating economic growth, with gross domestic product (GDP) recording its fastest rate of growth in almost four years during the second quarter of 2018, enabled the equity market to take higher US interest rates in its stride, although the opening months of 2018 heralded a spike in volatility as the US-China trade dispute escalated.

In contrast, returns from European equities have been disappointing in comparison with other developed markets. Although earnings growth and the economic background have been supportive, political concerns have resurfaced in recent months, most notably in Italy. The new coalition government comprising the populist Five Star Movement and the Northern League is potentially on a collision course with the European Central Bank over its spending plans, which threaten to breach the latter's fiscal deficit limits. Elsewhere, a diplomatic row between Turkey and the US led to the latter tightening trade sanctions with the lira depreciating sharply. As a result, renewed fears of contagion risk drove down financial stocks, notably banks.

Having performed well in late 2017 amid ongoing confidence in the global economic outlook, Asia Pacific equities subsequently struggled amid escalating trade tensions and concerns over the effect of higher US interest rates. Over the period, Asia Pacific equities underperformed compared to international equities but outperformed relative to emerging markets. Japanese equities performed well as solid corporate earnings reassured investors, offsetting trade-related uncertainties and a surprising contraction in the domestic economy during the first quarter of 2018.

Emerging market equities struggled over the twelve months amid a reduction in investors' risk appetite, significantly underperforming global equities. The effects of steadily rising US interest rates, fears over the risk of a global trade war and some domestic political and economic factors weighed on investor sentiment towards markets regarded as higher risk. Although Asian emerging market equities gained ground, Latin American markets fell. Following Argentina's IMF bailout request, economic and political concerns heightened in Brazil.

Outlook
We remain broadly constructive on the investment outlook for international equities, but downside risks from trade tensions and other geopolitical factors makes us somewhat more cautious on the near-term outlook. Whereas global economic growth accelerated in a broad-based and synchronised way in 2017, led by a sharp improvement in global trade, domestic factors have played a more important role this year. Tax cuts have boosted household and business spending in the US, while domestic demand growth has remained robust in the Eurozone and Japan. Meanwhile growth in China and some other emerging market economies where financial conditions have tightened have slowed. As central banks remove liquidity from the financial system, fundamental weaknesses across asset classes and regions that have previously been masked by abundant liquidity are becoming more exposed. We have already begun to see some of these fragilities in certain emerging markets, notably Turkey, where reliance on external financing is comparably high.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 275 and 276 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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 INTERNATIONAL INDEX TRACKING FUND (CONTINUED)

Material Portfolio Changes

Purchases	Sales
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP
Microsoft	Apple
Apple	Microsoft
Amazon.com	Amazon.com
Berkshire Hathaway 'B'	JPMorgan Chase
Facebook 'A'	Monsanto
Square 'A'	Bank of America
TOTAL	AT&T
Alphabet 'A'	Facebook 'A'
Alphabet 'C'	Johnson & Johnson

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'.
- The value of investments will be affected by changes in exchange rates.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	163.28	145.69	110.29
Return before operating charges†	6.82	18.62	36.26
Operating charges	(1.07)	(1.03)	(0.86)
Return after operating charges†	5.75	17.59	35.40
Distributions	(2.40)	(2.17)	(1.81)
Retained distributions on accumulation shares	2.40	2.17	1.81
Closing net asset value per share	169.03	163.28	145.69
† after direct transaction costs of	(0.02)	(0.02)	(0.02)
Performance			
Return after charges (%)	3.52%	12.07%	32.10%
Other information			
Closing net asset value (£000)	62,101	63,734	64,060
Closing number of shares	36,740,324	39,033,832	43,969,907
Operating charges (%)‡	0.63%	0.67%	0.70%
Direct transaction costs (%)#	0.01%	0.01%	0.02%
Prices≈			
Highest share price	182.41	165.11	147.19
Lowest share price	155.13	140.17	104.07

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	174.63	155.20	116.91
Return before operating charges†	7.30	19.87	38.71
Operating charges	(0.52)	(0.44)	(0.42)
Return after operating charges†	6.78	19.43	38.29
Distributions	(3.20)	(2.98)	(2.56)
Retained distributions on accumulation shares	3.20	2.98	2.56
Closing net asset value per share	181.41	174.63	155.20
† after direct transaction costs of	(0.02)	(0.02)	(0.03)
Performance			
Return after charges (%)	3.88%	12.52%	32.75%
Other information			
Closing net asset value (£000)	386,033	407,602	234,891
Closing number of shares	212,793,406	233,402,009	151,344,422
Operating charges (%)‡	0.28%	0.27%	0.31%
Direct transaction costs (%)#	0.01%	0.01%	0.02%
Prices≈			
Highest share price	195.71	176.58	156.79
Lowest share price	166.22	149.36	110.57

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	338.19	300.56	226.40
Return before operating charges†	14.13	38.49	74.93
Operating charges	(1.01)	(0.86)	(0.77)
Return after operating charges†	13.12	37.63	74.16
Distributions	(6.20)	(5.76)	(4.95)
Retained distributions on accumulation shares	6.20	5.76	4.95
Closing net asset value per share	351.31	338.19	300.56
† after direct transaction costs of	(0.04)	(0.03)	(0.05)
Performance			
Return after charges (%)	3.88%	12.52%	32.76%
Other information			
Closing net asset value (£000)	358,019	356,490	348,416
Closing number of shares	101,909,591	105,412,646	115,923,531
Operating charges (%)‡	0.28%	0.27%	0.31%
Direct transaction costs (%)#	0.01%	0.01%	0.02%
Prices≈			
Highest share price	379.00	341.95	303.63
Lowest share price	321.89	289.24	214.12

COMPARATIVE TABLES (CONTINUED)

Financial year Class 5 Income shares	2018§ p per share
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges†	(4.82)
Operating charges	(0.12)
Return after operating charges†	(4.94)
Distributions	(0.34)
Closing net asset value per share	94.72
† after direct transaction costs of	(0.01)
Performance	
Return after charges (%)	(4.94)%
Other information	
Closing net asset value (£000)	1
Closing number of shares	1,000
Operating charges (%)‡	0.25%
Direct transaction costs (%)#	0.01%
Prices≈	
Highest share price	102.57
Lowest share price	94.22

§ This share class was launched on 3 August 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	0.56%**	0.67%
Class 2	0.31%	0.27%
Class 3	0.31%	0.27%
Class 5	0.25%	–

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme. The OCF for share class 1 is capped at 0.70%. This excludes, amongst other things, the charges of any other funds in which this Fund invests and which are included in the OCF. Please see the Prospectus for full details.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.68% (98.54%)				
Australia 2.35% (2.62%)				
Adelaide Brighton	AUD	12,500	39	–
AGL Energy	AUD	17,250	172	0.02
ALS	AUD	13,230	59	0.01
Alumina	AUD	67,623	95	0.01
Amcor	AUD	30,254	216	0.03
AMP	AUD	77,847	129	0.02
Ansell	AUD	3,823	48	0.01
APA Group	AUD	30,766	162	0.02
Aristocrat Leisure	AUD	16,700	252	0.03
ASX	AUD	5,179	163	0.02
Atlas Arteria	AUD	17,860	62	0.01
Aurizon Holdings	AUD	51,020	109	0.01
AusNet Services	AUD	48,500	42	0.01
Australia & New Zealand Banking Group	AUD	76,340	1,052	0.13
Bank of Queensland	AUD	10,760	60	0.01
Bendigo & Adelaide Bank	AUD	12,520	68	0.01
BHP Billiton	AUD	84,628	1,529	0.19
BlueScope Steel	AUD	14,428	120	0.01
Boral	AUD	30,540	105	0.01
Brambles	AUD	41,656	231	0.03
Caltex Australia	AUD	6,820	109	0.01
Challenger	AUD	14,720	84	0.01
CIMIC Group	AUD	2,632	66	0.01
Coca-Cola Amatil	AUD	13,855	73	0.01
Cochlear	AUD	1,500	151	0.02
Commonwealth Bank of Australia	AUD	46,387	1,650	0.20
Computershare	AUD	12,560	133	0.02
Crown Resorts	AUD	9,620	68	0.01
CSL	AUD	11,890	1,217	0.15
CSR	AUD	13,353	26	–
Dexus, REIT	AUD	26,732	143	0.02
Domain Holdings Australia	AUD	6,420	9	–
Domino's Pizza Enterprises	AUD	1,590	46	0.01
Downer EDI	AUD	15,870	62	0.01
DuluxGroup	AUD	10,671	42	0.01
Evolution Mining	AUD	28,200	45	0.01
Fairfax Media	AUD	64,200	23	–
Flight Centre Travel Group	AUD	1,530	42	0.01
Fortescue Metals Group	AUD	41,790	88	0.01
Goodman Group, REIT	AUD	46,686	251	0.03
GPT Group, REIT	AUD	47,350	126	0.02
Harvey Norman Holdings	AUD	14,548	27	–
Healthscope	AUD	46,150	49	0.01
Iluka Resources	AUD	11,180	53	0.01
Incitec Pivot	AUD	44,790	94	0.01
Insurance Australia Group	AUD	61,920	229	0.03
IOOF Holdings	AUD	9,380	39	–
LendLease Group	AUD	15,095	143	0.02
Macquarie Group	AUD	8,097	504	0.06
Magellan Financial Group	AUD	3,600	51	0.01
Medibank	AUD	71,370	106	0.01
Metcash	AUD	22,640	34	–
Mirvac Group, REIT	AUD	99,254	117	0.01
National Australia Bank	AUD	71,669	990	0.12
Newcrest Mining	AUD	20,072	216	0.03
Nufarm	AUD	6,951	22	–
Nufarm Rights	AUD	1,097	–	–
OneMarket	AUD	2,573	1	–
Orica	AUD	9,731	87	0.01
Origin Energy	AUD	45,843	202	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Australia 2.35% (2.62%) (continued)				
Orora	AUD	32,154	56	0.01
OZ Minerals	AUD	8,551	41	0.01
Perpetual	AUD	1,210	25	–
Platinum Asset Management	AUD	6,370	17	–
Qantas Airways	AUD	16,823	49	0.01
QBE Insurance Group	AUD	35,460	214	0.03
Ramsay Health Care	AUD	3,310	94	0.01
REA Group	AUD	1,330	52	0.01
Rio Tinto	AUD	10,930	459	0.06
Santos	AUD	46,165	177	0.02
Scentre Group, REIT	AUD	135,197	278	0.03
SEEK	AUD	9,330	97	0.01
Seven Group Holdings	AUD	2,690	29	–
Shopping Centres Australasia Property Group, REIT	AUD	20,379	26	–
Sims Metal Management	AUD	4,490	29	–
Sonic Healthcare	AUD	11,360	144	0.02
South32	AUD	135,948	281	0.03
Star Entertainment Grp	AUD	22,470	58	0.01
Stockland, REIT	AUD	65,130	137	0.02
Suncorp Group	AUD	33,985	247	0.03
Sydney Airport	AUD	29,569	103	0.01
Tabcorp Holdings	AUD	49,390	123	0.02
Telstra	AUD	108,700	183	0.02
TPG Telecom	AUD	9,910	42	0.01
Transurban Group	AUD	69,255	404	0.05
Treasury Wine Estates	AUD	18,748	166	0.02
Vicinity Centres, REIT	AUD	86,121	121	0.01
Vocus Group	AUD	16,700	29	–
Wesfarmers	AUD	29,786	762	0.09
Westpac Banking	AUD	90,165	1,271	0.16
Whitehaven Coal	AUD	18,590	54	0.01
Woodside Petroleum	AUD	24,536	480	0.06
Woolworths Group	AUD	34,519	513	0.06
WorleyParsons	AUD	5,570	55	0.01
			18,947	2.35
Austria 0.10% (0.11%)				
ams	CHF	2,100	77	0.01
ANDRITZ	EUR	1,920	77	0.01
Erste Group Bank	EUR	7,765	247	0.03
OMV	EUR	3,790	164	0.02
Raiffeisen Bank International	EUR	3,290	70	0.01
Telekom Austria	EUR	3,700	21	–
Vienna Insurance Group	EUR	1,395	29	0.01
voestalpine	EUR	2,990	95	0.01
			780	0.10
Belgium 0.36% (0.46%)				
Ackermans & van Haaren	EUR	600	73	0.01
Ageas	EUR	4,930	189	0.02
Anheuser-Busch InBev	EUR	19,990	1,279	0.16
bpost	EUR	2,710	31	–
Colruyt	EUR	1,360	58	0.01
Groupe Bruxelles Lambert	EUR	1,942	137	0.02
KBC Group	EUR	7,310	411	0.05
Proximus SADP	EUR	3,720	72	0.01
Sofina	EUR	390	57	0.01
Solvay	EUR	1,805	165	0.02
Telenet Group Holding	EUR	1,300	53	0.01
UCB	EUR	3,170	204	0.02
Umicore	EUR	5,370	192	0.02
			2,921	0.36

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Bermuda 0.35% (0.44%)				
Arch Capital Group	USD	10,460	216	0.03
Axis Capital Holdings	USD	2,200	91	0.01
Brightoil Petroleum Holdings	HKD	72,000	10	–
Brookfield Property Partners	USD	3,076	46	0.01
Bunge	USD	3,700	189	0.02
Cafe de Coral Holdings	HKD	10,000	16	–
CK Infrastructure Holdings	HKD	15,910	91	0.01
Dairy Farm International Holdings	USD	8,200	53	0.01
Everest Re Group	USD	1,090	176	0.02
First Pacific	HKD	66,150	24	–
Great Eagle Holdings	HKD	7,000	24	–
Haitong International Securities Group	HKD	60,000	13	–
Hongkong Land Holdings	USD	30,400	139	0.02
Huabao International Holdings	HKD	23,000	8	–
IHS Markit	USD	10,100	397	0.05
Invesco	USD	10,550	160	0.02
Jardine Matheson Holdings	USD	5,500	244	0.03
Jardine Strategic Holdings	USD	4,800	123	0.02
Johnson Electric Holdings	HKD	9,000	17	–
Kerry Logistics Network	HKD	15,500	19	–
Kerry Properties	HKD	16,000	39	0.01
Li & Fung	HKD	160,600	25	–
Marvell Technology Group	USD	14,225	194	0.02
Norwegian Cruise Line Holdings	USD	5,320	205	0.03
NWS Holdings	HKD	38,000	54	0.01
RenaissanceRe Holdings	USD	1,060	106	0.01
Shangri-La Asia	HKD	30,147	32	–
VTech Holdings	HKD	4,300	36	0.01
Yue Yuen Industrial Holdings	HKD	18,500	38	0.01
			2,785	0.35
Brazil 0.93% (1.02%)				
Ambev	BRL	64,441	220	0.03
Ambev, ADR	USD	49,380	172	0.02
Atacadao Distribuicao Comercio e Industria Ltda	BRL	8,300	24	–
Azul Preference	BRL	2,700	14	–
B2W Cia Digital	BRL	4,500	28	–
B3 SA – Brasil Bolsa Balcao	BRL	52,605	251	0.03
Banco Bradesco Preference	BRL	24,161	155	0.02
Banco Bradesco	BRL	23,253	130	0.02
Banco Bradesco, ADR Preference	USD	63,944	417	0.05
Banco BTG Pactual	BRL	5,240	22	–
Banco do Brasil	BRL	27,390	204	0.03
Banco do Estado do Rio Grande do Sul Preference 'B'	BRL	5,500	20	–
Banco Santander Brasil	BRL	10,720	85	0.01
BB Seguridade Participacoes	BRL	17,970	98	0.01
BR Malls Participacoes	BRL	20,317	46	0.01
Bradespar Preference	BRL	6,200	42	0.01
Braskem Preference 'A'	BRL	5,250	55	0.01
BRF	BRL	14,730	60	0.01
CCR	BRL	28,450	56	0.01
Centrais Eletricas Brasileiras	BRL	8,380	33	0.01
Centrais Eletricas Brasileiras Preference 'B'	BRL	5,560	27	–
Cia Brasileira de Distribuicao Preference	BRL	4,020	65	0.01
Cia de Saneamento Basico do Estado de Sao Paulo	BRL	8,610	47	0.01
Cia de Transmissao de Energia Eletrica Paulista Preference	BRL	1,300	16	–
Cia Energetica de Minas Gerais	BRL	1,880	4	–
Cia Energetica de Minas Gerais Preference	BRL	7,300	15	–
Cia Energetica de Minas Gerais, ADR Preference	USD	15,368	33	0.01
Cia Paranaense de Energia	BRL	600	3	–
Cia Paranaense de Energia Preference	BRL	2,770	14	–
Cia Siderurgica Nacional	BRL	3,700	7	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Brazil 0.93% (1.02%) (continued)				
Cia Siderurgica Nacional, ADR	USD	11,280	21	–
Cielo	BRL	28,587	71	0.01
Cosan	BRL	4,330	30	–
EDP – Energias do Brasil	BRL	8,475	23	–
Embraer	BRL	5,400	20	–
Embraer, ADR	USD	3,575	52	0.01
Energisa	BRL	4,930	31	–
Engie Brasil Energia	BRL	3,850	27	–
Equatorial Energia	BRL	4,700	55	0.01
Estacio Participacoes	BRL	7,000	32	–
Fibria Celulose	BRL	6,250	91	0.01
Fleury	BRL	5,400	23	–
Gerdau Preference	BRL	8,590	27	–
Gerdau, ADR Preference	USD	19,500	62	0.01
Grendene	BRL	6,900	10	–
Hypera	BRL	10,530	65	0.01
IRB Brasil Resseguros	BRL	3,300	42	0.01
Itau Unibanco Holding Preference	BRL	22,343	213	0.03
Itau Unibanco Holding, ADR Preference	USD	59,380	580	0.07
Itausa – Investimentos Itau Preference	BRL	116,240	250	0.03
JBS	BRL	26,750	49	0.01
Klabin	BRL	19,550	69	0.01
Kroton Educacional	BRL	40,200	90	0.01
Localiza Rent a Car	BRL	13,230	64	0.01
Lojas Americanas	BRL	6,100	15	–
Lojas Americanas Preference	BRL	19,660	67	0.01
Lojas Renner	BRL	18,643	129	0.02
M Dias Branco	BRL	2,200	20	–
Magazine Luiza	BRL	2,020	61	0.01
Multiplan Empreendimentos Imobiliarios	BRL	7,209	30	–
Natura Cosmeticos	BRL	5,200	30	–
Odontoprev	BRL	7,400	19	–
Petrobras Distribuidora	BRL	8,100	39	0.01
Petroleo Brasileiro	BRL	77,310	436	0.06
Petroleo Brasileiro Preference	BRL	103,500	525	0.07
Porto Seguro	BRL	2,600	28	–
Qualicorp	BRL	6,100	16	–
Raia Drogasil	BRL	6,000	81	0.01
Rumo	BRL	30,350	93	0.01
Sao Martinho	BRL	4,700	16	–
Smiles Fidelidade	BRL	1,600	17	–
Sul America	BRL	6,100	28	–
Suzano Papel e Celulose	BRL	12,700	106	0.01
Telefonica Brasil Preference	BRL	6,950	53	0.01
Telefonica Brasil, ADR Preference	USD	4,130	31	–
TIM Participacoes, ADR	USD	4,215	48	0.01
Transmissora Alianca de Energia Eletrica	BRL	5,200	22	–
Ultrapar Participacoes	BRL	11,080	89	0.01
Usinas Siderurgicas de Minas Gerais, ADR Preference	USD	10,200	20	–
Vale	BRL	70,520	799	0.10
Vale, ADR	USD	20,859	242	0.03
Via Varejo	BRL	3,400	10	–
WEG	BRL	19,990	74	0.01
			7,504	0.93
Canada 3.03% (3.25%)				
Agnico Eagle Mines	CAD	6,330	179	0.02
Alimentation Couche-Tard 'B'	CAD	11,270	404	0.05
Bank of Montreal	CAD	16,640	998	0.13
Bank of Montreal	USD	350	21	–
Bank of Nova Scotia	CAD	32,470	1,357	0.17
Barrick Gold	CAD	30,445	287	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Canada 3.03% (3.25%) (continued)				
Bausch Health	CAD	9,300	174	0.02
BCE	CAD	7,834	232	0.03
BlackBerry	CAD	13,170	96	0.01
Brookfield Asset Management 'A'	CAD	22,256	706	0.09
Canadian Imperial Bank of Commerce	CAD	11,680	788	0.10
Canadian National Railway	CAD	19,348	1,246	0.15
Canadian Natural Resources	CAD	31,950	705	0.09
Canadian Pacific Railway	CAD	3,765	591	0.07
Canadian Tire 'A'	CAD	1,590	136	0.02
Canadian Utilities 'A'	CAD	3,280	56	0.01
Cenovus Energy	CAD	26,602	177	0.02
CGI Group 'A'	CAD	6,710	306	0.04
CI Financial	CAD	6,370	71	0.01
Constellation Software	CAD	530	273	0.03
Dollarama	CAD	8,480	189	0.02
Enbridge	CAD	33,050	802	0.10
Enbridge	USD	11,757	285	0.03
Encana	CAD	25,762	221	0.03
Fairfax Financial Holdings	CAD	720	277	0.03
Fortis	CAD	10,950	265	0.03
Franco-Nevada	CAD	4,770	239	0.03
George Weston	CAD	1,230	65	0.01
Goldcorp	CAD	23,270	190	0.02
Great-West Lifeco	CAD	7,470	131	0.02
Husky Energy	CAD	8,256	97	0.01
Hydro One	CAD	8,520	95	0.01
IGM Financial	CAD	2,330	44	0.01
Imperial Oil	CAD	6,420	160	0.02
Intact Financial	CAD	3,620	219	0.03
Inter Pipeline	CAD	10,360	131	0.02
Loblaw	CAD	4,921	182	0.02
Magna International	CAD	8,550	310	0.04
Manulife Financial	CAD	48,930	585	0.07
Manulife Financial	USD	3,230	39	0.01
Metro	CAD	6,520	153	0.02
National Bank of Canada	CAD	9,020	318	0.04
Nutrien	CAD	16,149	663	0.08
Pembina Pipeline	CAD	13,430	344	0.04
Power Corp. of Canada	CAD	10,145	160	0.02
Power Financial	CAD	6,530	109	0.01
Restaurant Brands International	USD	5,612	246	0.03
Restaurant Brands International	CAD	510	22	–
RioCan Real Estate Investment Trust	CAD	8,130	113	0.01
Rogers Communications 'B'	CAD	9,490	357	0.04
Royal Bank of Canada	CAD	38,060	2,192	0.27
Saputo	CAD	5,890	134	0.02
Shaw Communications 'B'	CAD	11,840	167	0.02
Shopify 'A'	USD	2,420	248	0.03
SNC-Lavalin Group	CAD	4,820	127	0.02
Sun Life Financial	CAD	15,960	448	0.06
Suncor Energy	CAD	43,026	1,197	0.15
Teck Resources 'B'	CAD	13,330	235	0.03
TELUS	CAD	3,630	94	0.01
Thomson Reuters	CAD	7,320	254	0.03
Toronto-Dominion Bank	CAD	48,600	2,105	0.26
Tourmaline Oil	CAD	6,940	86	0.01
TransCanada	CAD	24,072	720	0.09
Turquoise Hill Resources	CAD	27,590	41	0.01
Waste Connections	CAD	6,945	400	0.05
Wheaton Precious Metals	CAD	11,910	157	0.02
			24,419	3.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Cayman Islands 0.31% (0.35%)				
AAC Technologies Holdings	HKD	18,000	116	0.01
ASM Pacific Technology	HKD	8,200	61	0.01
Chailease Holding	TWD	28,000	63	0.01
China Mengniu Dairy	HKD	70,000	152	0.02
Chow Tai Fook Jewellery Group	HKD	29,000	20	–
CK Asset Holdings	HKD	71,372	379	0.05
CK Hutchison Holdings	HKD	70,372	553	0.07
FIH Mobile	HKD	78,000	6	–
FIT Hon Teng	HKD	29,000	9	–
Herbalife	USD	2,690	107	0.01
Hutchison Telecommunications Hong Kong Holdings	HKD	36,000	10	–
Lifestyle International Holdings	HKD	13,500	19	–
Macau Legend Development	HKD	42,000	6	–
MGM China Holdings	HKD	20,800	24	–
Minth Group	HKD	18,000	46	0.01
Nexteer Automotive Group	HKD	22,000	22	–
Sa Sa International Holdings	HKD	30,000	10	–
Sands China	HKD	62,400	204	0.03
Semiconductor Manufacturing International	HKD	79,400	53	0.01
Shui On Land	HKD	97,000	15	–
Tingyi Cayman Islands Holding	HKD	47,160	57	0.01
Towngas China	HKD	29,000	15	–
TPK Holding	TWD	8,887	10	–
Uni-President China Holdings	HKD	31,000	23	–
Want Want China Holdings	HKD	143,000	77	0.01
WH Group	HKD	224,000	130	0.02
Wharf Real Estate Investment	HKD	32,175	149	0.02
Wynn Macau	HKD	38,800	63	0.01
Xinyi Glass Holdings	HKD	54,000	45	0.01
Xinyi Solar Holdings	HKD	88,000	20	–
			2,464	0.31
Curacao 0.20% (0.24%)				
Schlumberger	USD	36,484	1,641	0.20
			1,641	0.20
Czech Republic 0.02% (0.02%)				
CEZ	CZK	4,380	83	0.01
Komercni banka	CZK	2,020	62	0.01
Moneta Money Bank	CZK	14,450	38	–
O2 Czech Republic	CZK	1,380	12	–
Philip Morris CR	CZK	10	5	–
			200	0.02
Denmark 0.56% (0.67%)				
Ambu	DKK	4,030	62	0.01
AP Moller – Maersk 'A'	DKK	113	105	0.01
AP Moller – Maersk 'B'	DKK	174	172	0.02
Carlsberg 'B'	DKK	2,770	236	0.03
Chr Hansen Holding	DKK	2,620	187	0.02
Coloplast 'B'	DKK	3,500	248	0.03
Danske Bank	DKK	17,620	292	0.04
DSV	DKK	4,770	299	0.04
Genmab	DKK	1,450	153	0.02
GN Store Nord	DKK	3,610	114	0.01
H Lundbeck	DKK	1,620	73	0.01
ISS	DKK	4,790	122	0.01
Jyske Bank	DKK	1,870	65	0.01
Novo Nordisk 'B'	DKK	44,730	1,431	0.18
Novozymes 'B'	DKK	5,380	201	0.02
Orsted	DKK	3,910	186	0.02
Pandora	DKK	2,720	133	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Denmark 0.56% (0.67%) (continued)				
Rockwool International 'B'	DKK	170	48	0.01
Tryg	DKK	2,960	53	0.01
Vestas Wind Systems	DKK	5,030	241	0.03
William Demant Holding	DKK	2,930	70	0.01
			4,491	0.56
Finland 0.46% (0.40%)				
Elisa	EUR	3,820	123	0.01
Fortum	EUR	11,260	196	0.02
Huhtamaki	EUR	2,510	56	0.01
Kesko 'B'	EUR	1,810	74	0.01
Kone 'B'	EUR	10,310	372	0.05
Metso	EUR	2,860	73	0.01
Neste	EUR	3,625	221	0.03
Nokia	EUR	146,922	585	0.07
Nokian Renkaat	EUR	3,590	104	0.01
Nordea Bank	SEK	83,476	619	0.08
Orion 'B'	EUR	2,730	72	0.01
Sampo 'A'	EUR	12,870	467	0.06
Stora Enso 'R'	EUR	14,612	182	0.02
UPM-Kymmene	EUR	14,116	373	0.05
Wartsila OYJ Abp	EUR	11,840	151	0.02
			3,668	0.46
France 3.35% (3.65%)				
Accor	EUR	5,270	191	0.02
Aeroports de Paris	EUR	760	119	0.01
Air France-KLM	EUR	5,820	40	0.01
Air Liquide	EUR	11,052	1,015	0.13
ALD	EUR	2,170	27	–
Alstom	EUR	4,122	138	0.02
Amundi	EUR	1,538	80	0.01
Arkema	EUR	1,878	160	0.02
Atos	EUR	2,405	205	0.03
AXA	EUR	50,575	1,005	0.12
BioMerieux	EUR	1,090	60	0.01
BNP Paribas	EUR	28,462	1,249	0.15
Bollore	EUR	26,480	84	0.01
Bouygues	EUR	5,321	166	0.02
Bureau Veritas	EUR	6,800	115	0.01
Capgemini	EUR	4,090	367	0.05
Carrefour	EUR	14,820	210	0.03
Casino Guichard Perrachon	EUR	1,530	53	0.01
Cie de Saint-Gobain	EUR	12,928	378	0.05
Cie Generale des Etablissements Michelin	EUR	4,668	403	0.05
Cie Plastic Omnium	EUR	1,530	36	–
CNP Assurances	EUR	4,073	70	0.01
Covivio, REIT	EUR	964	71	0.01
Credit Agricole	EUR	30,118	323	0.04
Danone	EUR	15,658	880	0.11
Dassault Aviation	EUR	64	79	0.01
Dassault Systemes	EUR	3,490	342	0.04
Edenred	EUR	6,270	170	0.02
Eiffage	EUR	1,970	154	0.02
Electricite de France	EUR	12,954	166	0.02
Elis	EUR	4,860	73	0.01
Engie	EUR	43,434	450	0.06
EssilorLuxottica	EUR	5,370	536	0.07
Eurazeo	EUR	1,249	70	0.01
Eutelsat Communications	EUR	4,590	88	0.01
Faurecia	EUR	1,980	78	0.01
Gecina, REIT	EUR	1,380	158	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
France 3.35% (3.65%) (continued)				
Getlink	EUR	11,710	110	0.01
Hermes International	EUR	811	345	0.04
ICADE, REIT	EUR	870	55	0.01
Iliad	EUR	650	61	0.01
Imerys	EUR	995	49	0.01
Ingenico Group	EUR	1,600	93	0.01
Ipsen	EUR	890	98	0.01
JCDecaux	EUR	1,960	50	0.01
Kering	EUR	1,954	633	0.08
Klepierre, REIT	EUR	5,344	134	0.02
Lagardere	EUR	2,950	66	0.01
Legrand	EUR	7,050	353	0.04
L'Oreal	EUR	6,340	1,016	0.13
LVMH Moet Hennessy Louis Vuitton	EUR	6,535	1,486	0.18
Natixis	EUR	22,290	106	0.01
Orange	EUR	50,411	604	0.07
Orpea	EUR	1,160	102	0.01
Pernod Ricard	EUR	5,553	631	0.08
Peugeot	EUR	14,360	266	0.03
Publicis Groupe	EUR	5,510	250	0.03
Remy Cointreau	EUR	660	58	0.01
Renault	EUR	4,820	302	0.04
Rexel	EUR	8,200	83	0.01
Rubis	EUR	2,270	89	0.01
Safran	EUR	7,700	726	0.09
Safran Preference	EUR	1,023	96	0.01
Sanofi	EUR	28,560	1,887	0.23
Sartorius Stedim Biotech	EUR	610	54	0.01
Schneider Electric	EUR	13,448	735	0.09
SCOR	EUR	4,080	146	0.02
SEB	EUR	700	86	0.01
Societe BIC	EUR	690	45	0.01
Societe Generale	EUR	18,985	591	0.07
Sodexo	EUR	2,310	177	0.02
Suez	EUR	9,853	112	0.01
Teleperformance	EUR	1,520	196	0.02
Thales	EUR	2,635	251	0.03
TOTAL	EUR	66,226	3,109	0.39
Ubisoft Entertainment	EUR	2,170	163	0.02
Valeo	EUR	6,200	173	0.02
Veolia Environnement	EUR	12,998	189	0.02
Vinci	EUR	12,213	828	0.10
Vivendi	EUR	25,176	474	0.06
Wendel	EUR	770	76	0.01
Worldline	EUR	1,080	41	0.01
			27,004	3.35
Germany 3.20% (3.61%)				
1&1 Drillisch	EUR	1,250	40	0.01
adidas	EUR	5,190	885	0.11
Allianz	EUR	11,253	1,802	0.22
Axel Springer	EUR	1,190	60	0.01
BASF	EUR	24,110	1,464	0.18
Bayer	EUR	24,585	1,693	0.21
Bayerische Motoren Werke	EUR	8,438	557	0.07
Bayerische Motoren Werke Preference	EUR	1,490	86	0.01
Beiersdorf	EUR	2,604	204	0.03
Brenntag	EUR	4,030	168	0.02
Carl Zeiss Meditec	EUR	990	58	0.01
CECONOMY	EUR	4,587	20	–
Commerzbank	EUR	27,423	210	0.03
Continental	EUR	2,830	346	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Germany 3.20% (3.61%) (continued)				
Covestro	EUR	4,750	260	0.03
Daimler 'Registered Shares'	EUR	22,637	1,051	0.13
Delivery Hero	EUR	2,940	90	0.01
Deutsche Bank	EUR	50,395	422	0.05
Deutsche Boerse	EUR	4,950	478	0.06
Deutsche Lufthansa	EUR	6,378	104	0.01
Deutsche Post	EUR	25,530	632	0.08
Deutsche Telekom	EUR	84,979	1,059	0.13
Deutsche Wohnen	EUR	9,304	316	0.04
E.ON	EUR	57,453	418	0.05
Evonik Industries	EUR	4,050	99	0.01
Fielmann	EUR	680	30	–
Fraport AG Frankfurt Airport Services Worldwide	EUR	960	56	0.01
Fresenius	EUR	10,655	621	0.08
Fresenius Medical Care	EUR	5,630	415	0.05
FUCHS PETROLUB	EUR	900	32	–
FUCHS PETROLUB Preference	EUR	1,880	74	0.01
GEA Group	EUR	4,500	99	0.01
GRENKE	EUR	710	55	0.01
Hannover Rueck	EUR	1,610	164	0.02
Hapag-Lloyd	EUR	740	21	–
HeidelbergCement	EUR	3,887	209	0.03
Hella	EUR	1,200	43	0.01
Henkel Preference	EUR	4,580	383	0.05
Henkel	EUR	2,710	200	0.02
HOCHTIEF	EUR	490	56	0.01
HUGO BOSS	EUR	1,740	95	0.01
Infineon Technologies	EUR	29,989	475	0.06
Innogy	EUR	3,450	112	0.01
K+S	EUR	5,186	81	0.01
KION Group	EUR	1,910	76	0.01
LANXESS	EUR	2,449	123	0.02
LEG Immobilien	EUR	1,690	139	0.02
Linde	EUR	4,883	867	0.11
MAN	EUR	950	76	0.01
Merck	EUR	3,380	259	0.03
METRO	EUR	4,567	54	0.01
MTU Aero Engines	EUR	1,360	205	0.03
Muenchener Rueckversicherungs-Gesellschaft	EUR	3,914	630	0.08
OSRAM Licht	EUR	2,560	71	0.01
Porsche Automobil Holding Preference	EUR	3,997	191	0.02
ProSiebenSat.1 Media	EUR	6,150	115	0.01
Puma	EUR	221	78	0.01
Rational	EUR	90	46	0.01
Rheinmetall	EUR	1,170	79	0.01
Rocket Internet	EUR	1,760	39	0.01
RWE, (Non-Voting) Preference	EUR	1,060	14	–
RWE	EUR	13,945	212	0.03
SAP	EUR	25,516	2,181	0.27
Sartorius Preference	EUR	930	99	0.01
Scout24	EUR	2,800	84	0.01
Siemens	EUR	20,208	1,778	0.22
Siemens Healthineers	EUR	3,490	105	0.01
STADA Arzneimittel	EUR	610	44	0.01
Suedzucker	EUR	2,180	24	–
Symrise	EUR	3,160	195	0.02
Talanx	EUR	1,070	29	–
Telefonica Deutschland Holding	EUR	18,340	57	0.01
thyssenkrupp	EUR	12,270	214	0.03
Uniper	EUR	5,290	116	0.01
United Internet	EUR	3,100	99	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Germany 3.20% (3.61%) (continued)				
Volkswagen	EUR	820	101	0.01
Volkswagen Preference	EUR	4,812	606	0.08
Vonovia	EUR	13,610	458	0.06
Wacker Chemie	EUR	400	34	–
Wirecard	EUR	3,000	439	0.05
Zalando	EUR	3,500	100	0.01
			25,780	3.20
Greece 0.04% (0.04%)				
Alpha Bank	EUR	37,384	38	0.01
Eurobank Ergasias	EUR	51,180	23	–
FF Group	EUR	850	4	–
Hellenic Petroleum	EUR	1,670	10	–
Hellenic Telecommunications Organization	EUR	6,408	56	0.01
JUMBO	EUR	2,820	31	–
Motor Oil Hellas Corinth Refineries	EUR	1,580	32	0.01
National Bank of Greece	EUR	14,766	20	–
OPAP	EUR	6,950	50	0.01
Piraeus Bank	EUR	8,273	9	–
Titan Cement	EUR	1,090	19	–
			292	0.04
Guernsey 0.02% (0.02%)				
Amdocs	USD	3,820	178	0.02
			178	0.02
Hong Kong 0.83% (0.91%)				
AIA Group	HKD	318,260	1,923	0.24
Bank of East Asia	HKD	32,700	83	0.01
BOC Hong Kong Holdings	HKD	94,000	308	0.04
Cathay Pacific Airways	HKD	16,000	17	–
Champion REIT	HKD	54,000	27	–
China Travel International Investment Hong Kong	HKD	68,000	15	–
CLP Holdings	HKD	43,240	364	0.05
Dah Sing Banking Group	HKD	10,000	14	–
Dah Sing Financial Holdings	HKD	4,000	18	–
Galaxy Entertainment Group	HKD	56,000	242	0.03
Guotai Junan International Holdings	HKD	84,000	10	–
Hang Lung Group	HKD	24,000	45	0.01
Hang Lung Properties	HKD	54,000	76	0.01
Hang Seng Bank	HKD	19,215	378	0.05
Henderson Land Development	HKD	30,844	110	0.01
Hong Kong & China Gas	HKD	237,326	338	0.04
Hong Kong Exchanges & Clearing	HKD	32,600	629	0.08
Hopewell Holdings	HKD	15,000	36	–
Hysan Development	HKD	16,000	58	0.01
Link REIT	HKD	56,000	391	0.05
Melco International Development	HKD	22,000	31	–
MTR	HKD	38,000	143	0.02
New World Development	HKD	151,400	144	0.02
PCCW	HKD	105,494	45	0.01
Power Assets Holdings	HKD	34,122	174	0.02
Shougang Fushan Resources Group	HKD	94,000	14	–
Shun Tak Holdings	HKD	52,000	12	–
Sino Land	HKD	80,500	95	0.01
SJM Holdings	HKD	51,000	33	–
Sun Art Retail Group	HKD	59,000	56	0.01
Sun Hung Kai Properties	HKD	37,081	372	0.05
Swire Pacific 'A'	HKD	13,660	109	0.01
Swire Pacific 'B'	HKD	25,000	31	–
Swire Properties	HKD	28,012	73	0.01
Techtronic Industries	HKD	33,000	140	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Hong Kong 0.83% (0.91%) (continued)				
Television Broadcasts	HKD	8,000	15	–
Wharf Holdings	HKD	33,175	61	0.01
Wheelock	HKD	22,000	89	0.01
			6,719	0.83
Hungary 0.04% (0.05%)				
Magyar Telekom Telecommunications	HUF	10,960	12	–
MOL Hungarian Oil & Gas	HUF	11,170	91	0.01
OTP Bank	HUF	6,180	168	0.02
Richter Gedeon	HUF	3,780	54	0.01
			325	0.04
Indonesia 0.00% (0.00%)				
Bank Dagang Nasional Indonesia^	IDR	126	–	–
Bank Indonesia Raya^	IDR	100	–	–
			–	–
Ireland 1.24% (1.25%)				
Accenture 'A'	USD	16,930	2,049	0.25
Adient	USD	2,552	58	0.01
AIB Group	EUR	18,330	71	0.01
Alkermes	USD	4,100	130	0.02
Allegion	USD	2,563	163	0.02
Allergan	USD	8,910	1,239	0.15
Anglo Irish Bank^	EUR	16,820	–	–
Bank of Ireland Group	EUR	24,399	139	0.02
Eaton	USD	11,477	695	0.09
Glanbia	EUR	4,550	57	0.01
Ingersoll-Rand	USD	6,481	478	0.06
James Hardie Industries, CDI	AUD	11,780	121	0.01
Jazz Pharmaceuticals	USD	1,540	186	0.02
Johnson Controls International	USD	24,496	612	0.08
Kerry Group 'A'	EUR	4,100	324	0.04
Kingspan Group	EUR	3,920	133	0.02
Medtronic	USD	35,633	2,560	0.32
nVent Electric	USD	4,271	78	0.01
Pentair	USD	4,101	121	0.01
Perrigo	USD	3,352	178	0.02
Seagate Technology	USD	7,520	245	0.03
Willis Towers Watson	USD	3,483	363	0.04
			10,000	1.24
Isle of Man 0.01% (0.02%)				
NEPI Rockcastle	ZAR	9,495	62	0.01
New Europe Property Investments^	EUR	6,520	–	–
			62	0.01
Israel 0.23% (0.21%)				
Airport City	ILS	2,022	18	–
Alony Hetz Properties & Investments	ILS	2,840	21	–
Amot Investments	ILS	3,170	12	–
Azrieli Group	ILS	990	37	0.01
Bank Hapoalim BM	ILS	28,960	154	0.02
Bank Leumi Le-Israel BM	ILS	39,800	191	0.02
Bezeq The Israeli Telecommunication	ILS	71,080	61	0.01
Check Point Software Technologies	USD	3,110	263	0.03
Delek Group	ILS	140	18	–
Elbit Systems	ILS	650	59	0.01
Gazit-Globe	ILS	2,490	16	–
Israel	ILS	120	29	–
Israel Chemicals	ILS	18,680	88	0.01
Israel Discount Bank 'A'	ILS	31,080	79	0.01
Mazor Robotics	ILS	1,270	28	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Israel 0.23% (0.21%) (continued)				
Melisron	ILS	370	12	–
Mizrahi Tefahot Bank	ILS	3,560	47	0.01
Nice	ILS	1,670	135	0.02
Oil Refineries	ILS	41,410	15	–
Paz Oil	ILS	220	26	–
Phoenix Holdings	ILS	3,240	15	–
SodaStream International	ILS	560	61	0.01
Strauss Group	ILS	1,210	20	–
Teva Pharmaceutical Industries	ILS	8,290	133	0.02
Teva Pharmaceutical Industries, ADR	USD	17,385	282	0.04
Tower Semiconductor	ILS	2,707	42	0.01
			1,862	0.23
Italy 0.71% (0.85%)				
A2A	EUR	41,240	52	0.01
Assicurazioni Generali	EUR	34,013	425	0.05
Atlantia	EUR	13,896	214	0.03
Banca Mediolanum	EUR	6,870	33	–
Banco BPM	EUR	41,280	68	0.01
Buzzi Unicem	EUR	1,980	31	–
Buzzi Unicem Saving Shares	EUR	1,070	9	–
Davide Campari-Milano	EUR	15,280	85	0.01
DiaSorin	EUR	370	26	–
Enel	EUR	204,513	778	0.10
Eni	EUR	65,834	914	0.11
FinecoBank Banca Fineco	EUR	10,580	91	0.01
Intesa Sanpaolo	EUR	397,075	718	0.09
Italgas	EUR	12,954	51	0.01
Leonardo	EUR	10,528	91	0.01
Luxottica Group	EUR	4,160	191	0.02
Mediaset	EUR	7,930	18	–
Mediobanca Banca di Credito Finanziario	EUR	15,963	108	0.01
Moncler	EUR	4,300	115	0.01
Parmalat	EUR	5,300	12	–
Pirelli & C	EUR	10,060	56	0.01
Poste Italiane	EUR	12,450	69	0.01
PRADA	HKD	14,000	40	0.01
Prysmian	EUR	6,772	104	0.01
Recordati	EUR	2,590	66	0.01
Saipem	EUR	15,386	69	0.01
Salvatore Ferragamo	EUR	1,170	19	–
Snam	EUR	60,391	191	0.02
Telecom Italia	EUR	290,331	127	0.02
Telecom Italia Savings Share	EUR	162,930	62	0.01
Terna Rete Elettrica Nazionale	EUR	36,710	144	0.02
UniCredit	EUR	58,673	618	0.08
Unione di Banche Italiane	EUR	27,640	73	0.01
UnipolSai Assicurazioni	EUR	20,920	35	0.01
			5,703	0.71
Japan 9.20% (9.34%)				
77 Bank	JPY	1,800	30	–
ABC-Mart	JPY	700	31	–
Acom	JPY	10,600	30	–
Advantest	JPY	4,820	70	0.01
Aeon	JPY	18,300	317	0.04
AEON Financial Service	JPY	3,200	48	0.01
Aeon Mall	JPY	3,190	43	0.01
AGC	JPY	4,900	144	0.02
Aica Kogyo	JPY	1,400	39	0.01
Aiful	JPY	8,100	18	–
Ain Holdings	JPY	700	40	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Air Water	JPY	4,100	53	0.01
Aisin Seiki	JPY	4,600	147	0.02
Ajinomoto	JPY	13,000	159	0.02
Alfresa Holdings	JPY	4,500	88	0.01
Alps Electric	JPY	4,900	93	0.01
Amada Holdings	JPY	8,800	65	0.01
ANA Holdings	JPY	3,000	74	0.01
Aoyama Trading	JPY	1,300	30	–
Aozora Bank	JPY	3,100	80	0.01
Ariake Japan	JPY	500	35	–
Asahi Group Holdings	JPY	10,000	323	0.04
Asahi Intecc	JPY	2,700	93	0.01
Asahi Kasei	JPY	32,600	336	0.04
Asics	JPY	4,700	51	0.01
ASKUL	JPY	500	11	–
Astellas Pharma	JPY	51,100	635	0.08
Autobacs Seven	JPY	1,700	22	–
Awa Bank	JPY	1,000	21	–
Azbil	JPY	3,600	55	0.01
Bandai Namco Holdings	JPY	5,200	142	0.02
Bank of Kyoto	JPY	1,890	69	0.01
Benefit One	JPY	800	18	–
Benesse Holdings	JPY	1,900	39	–
Bic Camera	JPY	3,700	36	–
Bridgestone	JPY	16,300	463	0.06
Brother Industries	JPY	6,100	89	0.01
Calbee	JPY	2,000	49	0.01
Canon	JPY	26,950	634	0.08
Canon Marketing Japan	JPY	1,255	18	–
Capcom	JPY	2,300	41	0.01
Casio Computer	JPY	5,900	69	0.01
Central Japan Railway	JPY	4,700	694	0.09
Chiba Bank	JPY	17,100	86	0.01
Chiyoda	JPY	4,000	22	–
Chubu Electric Power	JPY	18,210	200	0.02
Chugai Pharmaceutical	JPY	5,730	259	0.03
Chugoku Bank	JPY	4,600	32	–
Chugoku Electric Power	JPY	7,780	75	0.01
Ci:z Holdings	JPY	600	15	–
Citizen Watch	JPY	7,400	34	–
Coca-Cola Bottlers Japan Holdings 'C'	JPY	3,800	74	0.01
COMSYS Holdings	JPY	2,700	57	0.01
Concordia Financial Group	JPY	31,300	113	0.01
Cosmo Energy Holdings	JPY	1,600	50	0.01
Cosmos Pharmaceutical	JPY	200	34	–
Credit Saison	JPY	4,200	51	0.01
CyberAgent	JPY	2,500	87	0.01
Dai Nippon Printing	JPY	7,900	137	0.02
Daicel	JPY	7,800	66	0.01
Daido Steel	JPY	900	30	–
Daifuku	JPY	2,600	91	0.01
Dai-ichi Life Holdings	JPY	29,200	451	0.06
Daiichi Sankyo	JPY	16,636	502	0.06
Daiichikosho	JPY	1,100	39	–
Daikin Industries	JPY	7,000	651	0.08
Daikyo	JPY	800	11	–
Daishi Hokuetsu Financial Group	JPY	800	23	–
Daito Trust Construction	JPY	1,800	176	0.02
Daiwa House Industry	JPY	17,200	389	0.05
Daiwa Securities Group	JPY	41,500	185	0.02
DeNA	JPY	3,100	40	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Denka	JPY	2,300	60	0.01
Denso	JPY	12,000	423	0.05
Dentsu	JPY	5,700	211	0.03
DIC	JPY	2,200	52	0.01
Disco	JPY	700	84	0.01
DMG Mori	JPY	2,700	32	–
Don Quijote Holdings	JPY	3,100	137	0.02
Dowa Holdings	JPY	1,280	29	–
East Japan Railway	JPY	9,700	632	0.08
Ebara	JPY	2,700	63	0.01
Eisai	JPY	6,900	482	0.06
Electric Power Development	JPY	4,440	92	0.01
Exedy	JPY	800	18	–
Ezaki Glico	JPY	1,400	53	0.01
FamilyMart UNY Holdings	JPY	1,504	129	0.02
Fancl	JPY	1,000	31	–
FANUC	JPY	5,100	670	0.08
Fast Retailing	JPY	1,300	472	0.06
FP	JPY	600	24	–
Fuji Electric	JPY	3,200	88	0.01
Fuji Media Holdings	JPY	1,300	17	–
Fuji Oil Holdings	JPY	1,200	27	–
FUJIFILM Holdings	JPY	10,100	328	0.04
Fujikura	JPY	7,500	25	–
Fujitsu	JPY	5,100	253	0.03
Fujitsu General	JPY	1,500	18	–
Fukuoka Financial Group	JPY	3,905	78	0.01
Fukuyama Transporting	JPY	900	26	–
Furukawa Electric	JPY	1,700	38	–
Fuyo General Lease	JPY	500	22	–
Glory	JPY	1,500	27	–
GMO internet	JPY	1,600	18	–
GMO Payment Gateway	JPY	800	34	–
Gree	JPY	3,000	10	–
GS Yuasa	JPY	2,000	33	–
GungHo Online Entertainment	JPY	10,200	15	–
Gunma Bank	JPY	11,600	43	0.01
H2O Retailing	JPY	2,400	28	–
Hachijuni Bank	JPY	12,500	42	0.01
Hakuhodo DY Holdings	JPY	6,400	83	0.01
Hamamatsu Photonics KK	JPY	3,400	93	0.01
Hankyu Hanshin Holdings	JPY	5,900	149	0.02
Haseko	JPY	7,500	73	0.01
Heiwa	JPY	1,400	23	–
Hikari Tsushin	JPY	600	82	0.01
Hino Motors	JPY	7,100	55	0.01
Hirose Electric	JPY	876	63	0.01
Hiroshima Bank	JPY	8,000	40	0.01
HIS	JPY	900	21	–
Hisamitsu Pharmaceutical	JPY	1,900	89	0.01
Hitachi	JPY	24,280	567	0.07
Hitachi Capital	JPY	1,200	24	–
Hitachi Chemical	JPY	2,700	36	–
Hitachi Construction Machinery	JPY	2,700	65	0.01
Hitachi High-Technologies	JPY	1,750	43	0.01
Hitachi Metals	JPY	5,200	47	0.01
Hitachi Transport System	JPY	1,200	23	–
Hokkaido Electric Power	JPY	4,860	23	–
Hokuhoku Financial Group	JPY	3,500	35	–
Hokuriku Electric Power	JPY	4,660	35	–
Honda Motor	JPY	45,800	937	0.12

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Horiba	JPY	1,000	36	–
Hoshizaki	JPY	1,400	105	0.01
House Foods Group	JPY	2,000	44	0.01
Hoya	JPY	9,600	398	0.05
Hulic	JPY	9,600	65	0.01
Ibiden	JPY	3,000	29	–
Ichigo	JPY	5,700	14	–
Idemitsu Kosan	JPY	3,900	157	0.02
IHI	JPY	3,500	101	0.01
Iida Group Holdings	JPY	3,900	51	0.01
Inpex	JPY	23,800	223	0.03
Isetan Mitsukoshi Holdings	JPY	9,620	82	0.01
Isuzu Motors	JPY	13,000	138	0.02
Ito En	JPY	1,500	51	0.01
ITOCHU	JPY	37,400	547	0.07
Itochu Techno-Solutions	JPY	2,600	40	0.01
Itoham Yonekyu Holdings	JPY	3,700	18	–
Iyo Bank	JPY	7,200	32	–
Izumi	JPY	1,100	46	0.01
J Front Retailing	JPY	6,400	66	0.01
Jafco	JPY	800	22	–
Japan Airlines	JPY	3,000	79	0.01
Japan Airport Terminal	JPY	1,200	36	–
Japan Aviation Electronics Industry	JPY	1,000	12	–
Japan Exchange Group	JPY	14,100	178	0.02
Japan Petroleum Exploration	JPY	900	15	–
Japan Post Bank	JPY	10,500	93	0.01
Japan Post Holdings, ADR	JPY	35,000	314	0.04
Japan Post Insurance	JPY	1,800	32	–
Japan Steel Works	JPY	1,700	29	–
Japan Tobacco	JPY	31,400	608	0.08
JFE Holdings	JPY	13,575	226	0.03
JGC	JPY	5,800	93	0.01
JSR	JPY	5,000	64	0.01
JTEKT	JPY	6,100	65	0.01
JXTG Holdings	JPY	84,031	453	0.06
Kagome	JPY	2,100	43	0.01
Kajima	JPY	12,000	124	0.02
Kakaku.com	JPY	3,400	48	0.01
Kaken Pharmaceutical	JPY	900	35	–
Kamigumi	JPY	2,800	44	0.01
Kandenko	JPY	3,000	22	–
Kaneka	JPY	1,500	51	0.01
Kansai Electric Power	JPY	19,000	212	0.03
Kansai Mirai Financial Group	JPY	4,800	32	–
Kansai Paint	JPY	5,200	62	0.01
Kao	JPY	12,500	709	0.09
Kawasaki Heavy Industries	JPY	3,900	81	0.01
Kawasaki Kisen Kaisha	JPY	2,300	32	–
KDDI	JPY	46,750	927	0.12
Keihan Holdings	JPY	2,600	73	0.01
Keikyu	JPY	6,705	80	0.01
Keio	JPY	3,000	120	0.02
Keisei Electric Railway	JPY	3,600	89	0.01
Keiyo Bank	JPY	3,000	17	–
Kewpie	JPY	3,000	51	0.01
Keyence	JPY	2,400	932	0.12
Kikkoman	JPY	4,800	212	0.03
Kinden	JPY	3,620	42	0.01
Kintetsu Group Holdings	JPY	4,815	139	0.02
Kirin Holdings	JPY	21,600	379	0.05

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Kissei Pharmaceutical	JPY	800	18	–
Kobayashi Pharmaceutical	JPY	1,600	81	0.01
Kobe Steel	JPY	7,900	54	0.01
Koei Tecmo Holdings	JPY	1,680	21	–
Koito Manufacturing	JPY	3,000	128	0.02
Kokuyo	JPY	2,300	29	–
Komatsu	JPY	24,200	530	0.07
Komeri	JPY	800	14	–
Konami Holdings	JPY	2,400	71	0.01
Konica Minolta	JPY	12,184	96	0.01
Kose	JPY	700	88	0.01
K's Holdings	JPY	4,700	43	0.01
Kubota	JPY	29,400	369	0.05
Kuraray	JPY	9,400	99	0.01
Kurita Water Industries	JPY	3,000	58	0.01
Kusuri no Aoki Holdings	JPY	400	23	–
Kyocera	JPY	8,080	343	0.04
KYORIN Holdings	JPY	1,300	22	–
Kyoritsu Maintenance	JPY	700	22	–
Kyowa Exeo	JPY	2,400	50	0.01
Kyowa Hakko Kirin	JPY	6,800	92	0.01
Kyudenko	JPY	1,100	30	–
Kyushu Electric Power	JPY	12,470	112	0.01
Kyushu Financial Group	JPY	10,230	35	–
Kyushu Railway	JPY	4,300	93	0.01
Lawson	JPY	1,300	60	0.01
Leopalace21	JPY	6,800	26	–
LINE	JPY	1,400	37	–
Lintec	JPY	1,400	25	–
Lion	JPY	6,800	99	0.01
LIXIL Group	JPY	6,972	96	0.01
M3	JPY	10,500	159	0.02
Mabuchi Motor	JPY	1,400	38	–
Maeda	JPY	3,500	33	–
Maeda Road Construction	JPY	1,500	22	–
Makita	JPY	6,400	217	0.03
Marubeni	JPY	40,900	269	0.03
Marui Group	JPY	5,600	95	0.01
Maruichi Steel Tube	JPY	1,700	39	0.01
Matsui Securities	JPY	2,800	22	–
Matsumotokiyoshi Holdings	JPY	2,100	60	0.01
Mazda Motor	JPY	14,800	127	0.02
Mebuki Financial Group	JPY	27,600	69	0.01
Medipal Holdings	JPY	4,200	66	0.01
Megmilk Snow Brand	JPY	1,100	20	–
MEIJI Holdings	JPY	3,536	178	0.02
MINEBEA MITSUMI	JPY	11,200	138	0.02
Miraca Holdings	JPY	1,400	27	–
MISUMI Group	JPY	7,200	126	0.02
Mitsubishi	JPY	33,800	778	0.10
Mitsubishi Chemical Holdings	JPY	33,600	218	0.03
Mitsubishi Electric	JPY	51,900	494	0.06
Mitsubishi Estate	JPY	31,000	374	0.05
Mitsubishi Gas Chemical	JPY	4,900	70	0.01
Mitsubishi Heavy Industries	JPY	7,500	217	0.03
Mitsubishi Logistics	JPY	1,900	36	–
Mitsubishi Materials	JPY	3,200	70	0.01
Mitsubishi Motors	JPY	16,900	81	0.01
Mitsubishi Shokuhin	JPY	400	8	–
Mitsubishi Tanabe Pharma	JPY	5,700	67	0.01
Mitsubishi UFJ Financial Group	JPY	332,496	1,517	0.19

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Mitsubishi UFJ Lease & Finance	JPY	11,100	47	0.01
Mitsui	JPY	44,400	590	0.07
Mitsui Chemicals	JPY	4,700	83	0.01
Mitsui Fudosan	JPY	25,000	422	0.05
Mitsui Mining & Smelting	JPY	1,500	32	–
Mitsui OSK Lines	JPY	2,971	63	0.01
Miura	JPY	2,600	57	0.01
Mizuho Financial Group	JPY	667,880	862	0.11
Mochida Pharmaceutical	JPY	300	17	–
MonotaRO	JPY	3,200	65	0.01
Morinaga	JPY	1,100	32	–
Morinaga Milk Industry	JPY	1,100	22	–
MS&AD Insurance Group Holdings	JPY	13,044	314	0.04
Murata Manufacturing	JPY	5,000	550	0.07
Nabtesco	JPY	3,200	59	0.01
Nagase	JPY	2,900	35	–
Nagoya Railroad	JPY	5,100	92	0.01
Nankai Electric Railway	JPY	3,000	55	0.01
NEC	JPY	6,700	137	0.02
Nexon	JPY	10,600	98	0.01
NGK Insulators	JPY	7,100	81	0.01
NGK Spark Plug	JPY	5,300	104	0.01
NH Foods	JPY	2,800	77	0.01
NHK Spring	JPY	4,300	31	–
Nichirei	JPY	2,800	53	0.01
Nidec	JPY	6,136	613	0.08
Nifco	JPY	2,200	41	0.01
Nihon Kohden	JPY	2,000	47	0.01
Nihon M&A Center	JPY	3,400	73	0.01
Nihon Unisys	JPY	1,700	32	–
Nikon	JPY	9,000	120	0.02
Nintendo	JPY	2,800	745	0.09
Nippo	JPY	1,300	17	–
Nippon Electric Glass	JPY	2,220	51	0.01
Nippon Express	JPY	1,900	89	0.01
Nippon Gas	JPY	1,100	35	–
Nippon Kayaku	JPY	4,400	39	0.01
Nippon Paint Holdings	JPY	4,100	101	0.01
Nippon Paper Industries	JPY	2,600	35	–
Nippon Shinyaku	JPY	1,400	64	0.01
Nippon Shokubai	JPY	800	43	0.01
Nippon Steel & Sumitomo Metal	JPY	20,400	306	0.04
Nippon Telegraph & Telephone	JPY	17,300	561	0.07
Nippon Television Holdings	JPY	1,400	18	–
Nippon Yusen KK	JPY	4,300	60	0.01
Nipro	JPY	3,300	33	–
Nishi-Nippon Financial Holdings	JPY	4,200	34	–
Nishi-Nippon Railroad	JPY	2,000	38	–
Nissan Chemical	JPY	3,700	148	0.02
Nissan Motor	JPY	51,000	347	0.04
Nissan Shatai	JPY	1,700	10	–
Nisshin Seifun Group	JPY	6,890	111	0.01
Nisshin Steel	JPY	1,200	13	–
Nisshinbo Holdings	JPY	3,500	31	–
Nissin Foods Holdings	JPY	1,800	89	0.01
Nitori Holdings	JPY	1,900	195	0.02
Nitto Denko	JPY	4,100	218	0.03
Noevir Holdings	JPY	400	14	–
NOF	JPY	1,800	41	0.01
NOK	JPY	3,100	36	–
Nomura Holdings	JPY	88,280	318	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Nomura Real Estate Holdings	JPY	3,200	46	0.01
Nomura Research Institute	JPY	2,770	99	0.01
North Pacific Bank	JPY	7,900	19	–
NS Solutions	JPY	900	21	–
NSK	JPY	11,900	97	0.01
NTN	JPY	11,200	33	–
NTT Data	JPY	16,500	165	0.02
NTT DOCOMO	JPY	33,100	636	0.08
NTT Urban Development	JPY	3,000	26	–
Obayashi	JPY	18,100	126	0.02
Obic	JPY	1,700	118	0.01
OBIC Business Consultants	JPY	200	13	–
Odakyu Electric Railway	JPY	7,950	134	0.02
Oji Holdings	JPY	23,166	123	0.02
OKUMA	JPY	800	32	–
Olympus	JPY	7,300	205	0.03
Omron	JPY	5,000	153	0.02
Ono Pharmaceutical	JPY	11,600	226	0.03
Open House	JPY	800	26	–
Oracle Corp. Japan	JPY	900	49	0.01
Orient	JPY	15,900	18	–
Oriental Land	JPY	4,900	354	0.04
ORIX	JPY	34,000	416	0.05
Osaka Gas	JPY	10,300	145	0.02
OSG	JPY	2,100	33	–
Otsuka	JPY	2,600	68	0.01
Otsuka Holdings	JPY	11,000	397	0.05
PALTAC	JPY	800	27	–
Panasonic	JPY	55,913	467	0.06
Park24	JPY	2,800	59	0.01
Penta-Ocean Construction	JPY	7,700	37	–
PeptiDream	JPY	2,300	64	0.01
Persol Holdings	JPY	4,500	72	0.01
Pigeon	JPY	2,900	113	0.01
Pilot	JPY	700	31	–
Pola Orbis Holdings	JPY	2,000	47	0.01
Rakuten	JPY	21,000	116	0.01
Recruit Holdings	JPY	31,400	727	0.09
Relo Group	JPY	2,800	55	0.01
Renesas Electronics	JPY	17,900	78	0.01
Rengo	JPY	5,500	35	–
Resona Holdings	JPY	57,500	233	0.03
Resorttrust	JPY	1,800	21	–
Ricoh	JPY	18,200	147	0.02
Rinnai	JPY	1,000	55	0.01
Rohm	JPY	2,300	117	0.01
Rohto Pharmaceutical	JPY	2,600	66	0.01
Ryohin Keikaku	JPY	600	129	0.02
San-In Godo Bank	JPY	4,100	25	–
Sankyo	JPY	1,400	40	0.01
Sankyu	JPY	1,300	52	0.01
Sanrio	JPY	1,600	25	–
Santen Pharmaceutical	JPY	9,400	108	0.01
Sanwa Holdings	JPY	5,300	46	0.01
Sapporo Holdings	JPY	1,700	26	–
Sawai Pharmaceutical	JPY	1,000	40	0.01
SBI Holdings	JPY	5,700	121	0.02
SCREEN Holdings	JPY	1,000	43	0.01
SCSK	JPY	1,100	37	–
Secom	JPY	5,100	317	0.04
Sega Sammy Holdings	JPY	5,340	54	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Seibu Holdings	JPY	5,800	80	0.01
Seiko Epson	JPY	7,400	93	0.01
Seino Holdings	JPY	4,100	42	0.01
Sekisui Chemical	JPY	9,200	115	0.01
Sekisui House	JPY	15,200	169	0.02
Seven & i Holdings	JPY	20,260	658	0.08
Seven Bank	JPY	17,700	40	0.01
SG Holdings	JPY	2,200	42	0.01
Sharp	JPY	3,800	51	0.01
Shiga Bank	JPY	1,400	26	–
Shikoku Electric Power	JPY	4,180	39	–
Shima Seiki Manufacturing	JPY	800	24	–
Shimachu	JPY	1,200	26	–
Shimadzu	JPY	7,000	151	0.02
Shimamura	JPY	600	39	–
Shimano	JPY	2,000	215	0.03
Shimizu	JPY	15,300	101	0.01
Shin-Etsu Chemical	JPY	10,750	661	0.08
Shinsei Bank	JPY	4,200	49	0.01
Shionogi	JPY	7,500	371	0.05
Shiseido	JPY	10,200	506	0.06
Shizuoka Bank	JPY	13,900	93	0.01
Shochiku	JPY	200	17	–
Showa Denko KK	JPY	3,900	147	0.02
Showa Shell Sekiyu KK	JPY	5,100	84	0.01
SKY Perfect JSAT Holdings	JPY	3,000	10	–
Skylark Holdings	JPY	5,200	60	0.01
SMC	JPY	1,500	343	0.04
SoftBank Group	JPY	22,400	1,406	0.17
Sohgo Security Services	JPY	1,800	58	0.01
Sojitz	JPY	33,800	91	0.01
Sompo Holdings	JPY	9,100	284	0.04
Sony	JPY	33,300	1,406	0.17
Sony Financial Holdings	JPY	4,600	76	0.01
Sotetsu Holdings	JPY	2,100	49	0.01
Square Enix Holdings	JPY	2,100	59	0.01
Stanley Electric	JPY	3,800	97	0.01
Subaru	JPY	16,100	353	0.04
Sugi Holdings	JPY	1,000	36	–
SUMCO	JPY	6,300	68	0.01
Sumitomo	JPY	29,600	361	0.04
Sumitomo Chemical	JPY	40,000	160	0.02
Sumitomo Dainippon Pharma	JPY	4,500	78	0.01
Sumitomo Electric Industries	JPY	19,800	208	0.03
Sumitomo Forestry	JPY	3,700	45	0.01
Sumitomo Heavy Industries	JPY	3,000	75	0.01
Sumitomo Metal Mining	JPY	6,200	155	0.02
Sumitomo Mitsui Financial Group	JPY	34,800	1,027	0.13
Sumitomo Mitsui Trust Holdings	JPY	9,808	294	0.04
Sumitomo Osaka Cement	JPY	1,000	30	–
Sumitomo Realty & Development	JPY	11,400	301	0.04
Sumitomo Rubber Industries	JPY	4,800	52	0.01
Sundrug	JPY	1,800	48	0.01
Suntory Beverage & Food	JPY	3,200	93	0.01
Suruga Bank	JPY	4,700	19	–
Suzuken	JPY	2,100	74	0.01
Suzuki Motor	JPY	10,800	423	0.05
Sysmex	JPY	5,000	287	0.04
T&D Holdings	JPY	14,700	188	0.02
Tadano	JPY	3,100	26	–
Taiheiyo Cement	JPY	3,300	74	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
Taisei	JPY	5,500	183	0.02
Taisho Pharmaceutical Holdings	JPY	1,100	94	0.01
Taiyo Nippon Sanso	JPY	3,600	40	0.01
Taiyo Yuden	JPY	3,000	50	0.01
Takara Bio	JPY	1,200	24	–
Takara Holdings	JPY	4,700	53	0.01
Takashimaya	JPY	4,000	46	0.01
Takeda Pharmaceutical	JPY	20,200	604	0.08
TDK	JPY	3,100	220	0.03
TechnoPro Holdings	JPY	1,000	43	0.01
Teijin	JPY	4,700	65	0.01
Terumo	JPY	8,200	368	0.05
THK	JPY	3,100	53	0.01
TIS	JPY	2,100	72	0.01
Tobu Railway	JPY	5,500	115	0.01
Toda	JPY	6,000	32	–
Toho	JPY	2,920	72	0.01
Toho Gas	JPY	2,300	63	0.01
Tohoku Electric Power	JPY	12,562	125	0.02
Tokai Carbon	JPY	5,300	72	0.01
Tokai Rika	JPY	1,400	21	–
Tokai Tokyo Financial Holdings	JPY	6,300	26	–
Tokio Marine Holdings	JPY	17,700	637	0.08
Tokuyama	JPY	1,900	37	–
Tokyo Broadcasting System Holdings	JPY	1,000	15	–
Tokyo Century	JPY	1,200	52	0.01
Tokyo Electric Power Co. Holdings	JPY	41,600	160	0.02
Tokyo Electron	JPY	4,100	404	0.05
Tokyo Gas	JPY	11,400	207	0.03
Tokyo Tatemono	JPY	5,600	45	0.01
Tokyu	JPY	12,800	160	0.02
Tokyu Fudosan Holdings	JPY	13,800	60	0.01
Topcon	JPY	2,900	37	–
Toppan Forms	JPY	1,100	7	–
Toppan Printing	JPY	7,000	79	0.01
Toray Industries	JPY	39,900	213	0.03
Toshiba	JPY	15,400	335	0.04
Toshiba Plant Systems & Services	JPY	1,000	15	–
Tosoh	JPY	7,700	83	0.01
TOTO	JPY	3,850	117	0.01
Toyo Seikan Group Holdings	JPY	4,000	62	0.01
Toyo Suisan Kaisha	JPY	2,400	68	0.01
Toyo Tire & Rubber	JPY	2,700	34	–
Toyobo	JPY	2,400	28	–
Toyoda Gosei	JPY	2,000	34	–
Toyota Boshoku	JPY	1,700	23	–
Toyota Industries	JPY	4,200	164	0.02
Toyota Motor	JPY	66,618	2,919	0.36
Toyota Tsusho	JPY	5,800	162	0.02
Trend Micro	JPY	3,000	137	0.02
TS Tech	JPY	1,400	31	–
Tsumura	JPY	1,800	43	0.01
Tsuruha Holdings	JPY	900	76	0.01
TV Asahi Holdings	JPY	600	8	–
Ube Industries	JPY	2,900	53	0.01
Ulvac	JPY	1,300	34	–
Unicharm	JPY	10,300	229	0.03
Ushio	JPY	3,200	30	–
USS	JPY	5,800	78	0.01
Wacoal Holdings	JPY	1,600	33	–
Welcia Holdings	JPY	1,300	52	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 9.20% (9.34%) (continued)				
West Japan Railway	JPY	4,800	243	0.03
Yahoo Japan	JPY	61,800	157	0.02
Yakult Honsha	JPY	3,200	189	0.02
Yamada Denki	JPY	19,200	74	0.01
Yamaguchi Financial Group	JPY	5,400	43	0.01
Yamaha	JPY	4,300	153	0.02
Yamaha Motor	JPY	7,200	138	0.02
Yamato Holdings	JPY	9,300	204	0.03
Yamato Kogyo	JPY	900	19	–
Yamazaki Baking	JPY	3,400	47	0.01
Yaoko	JPY	600	26	–
Yaskawa Electric	JPY	6,800	148	0.02
Yokogawa Electric	JPY	6,300	99	0.01
Yokohama Rubber	JPY	2,900	44	0.01
Zenkoku Hosho	JPY	1,400	39	0.01
Zensho Holdings	JPY	2,400	33	–
Zeon	JPY	4,000	32	–
ZOZO	JPY	4,500	92	0.01
			74,196	9.20
Jersey 0.06% (0.09%)				
Aptiv	USD	7,000	393	0.05
Janus Henderson Group	USD	5,400	97	0.01
United Co. RUSAL	HKD	58,000	12	–
			502	0.06
Liberia 0.05% (0.05%)				
Royal Caribbean Cruises	USD	4,400	398	0.05
			398	0.05
Luxembourg 0.14% (0.12%)				
ArcelorMittal	EUR	15,835	339	0.04
Aroundtown	EUR	17,130	107	0.02
Eurofins Scientific	EUR	300	106	0.01
L'Occitane International	HKD	12,500	17	–
RTL Group	EUR	1,010	53	0.01
Samsonite International	HKD	34,800	82	0.01
SES	EUR	9,140	161	0.02
Subsea 7	NOK	6,910	73	0.01
Tenaris	EUR	12,510	155	0.02
			1,093	0.14
Malaysia 0.35% (0.34%)				
AirAsia Group	MYR	40,000	19	–
Alliance Bank Malaysia	MYR	28,900	21	–
AMMB Holdings	MYR	54,100	39	0.01
Astro Malaysia Holdings	MYR	41,800	10	–
Axiata Group	MYR	118,900	84	0.01
British American Tobacco Malaysia	MYR	3,800	24	–
Bumi Armada	MYR	86,400	8	–
CIMB Group Holdings	MYR	179,200	193	0.02
Dialog Group	MYR	122,800	74	0.01
DiGi.Com	MYR	99,100	79	0.01
FGV Holdings	MYR	52,800	13	–
Gamuda	MYR	58,900	26	–
Genting	MYR	62,400	82	0.01
Genting Malaysia	MYR	75,900	59	0.01
HAP Seng Consolidated	MYR	18,000	31	–
Hartalega Holdings	MYR	37,000	43	0.01
Hong Leong Bank	MYR	16,897	63	0.01
Hong Leong Financial Group	MYR	6,000	21	–
IHH Healthcare	MYR	77,000	71	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Malaysia 0.35% (0.34%) (continued)				
IJM	MYR	91,400	27	–
IOI	MYR	85,800	70	0.01
IOI Properties Group	MYR	53,875	13	–
KLCCP Stapled Group, REIT	MYR	11,900	16	–
Kuala Lumpur Kepong	MYR	12,700	58	0.01
Malayan Banking	MYR	145,600	254	0.03
Malaysia Airports Holdings	MYR	24,600	38	0.01
Maxis	MYR	73,000	73	0.01
MISC	MYR	39,300	40	0.01
MMC	MYR	26,500	5	–
Petronas Chemicals Group	MYR	76,900	132	0.02
Petronas Dagangan	MYR	8,100	39	0.01
Petronas Gas	MYR	21,300	71	0.01
PPB Group	MYR	18,360	57	0.01
Press Metal Aluminium Holdings	MYR	48,900	43	0.01
Public Bank	MYR	80,730	368	0.05
RHB Bank	MYR	31,711	31	–
RHBCAP-UNLISTED^	MYR	14,500	–	–
Sapura Energy	MYR	140,000	9	–
Sime Darby	MYR	96,700	46	0.01
Sime Darby Plantation	MYR	95,800	90	0.01
Sime Darby Property	MYR	96,700	18	–
Telekom Malaysia	MYR	31,600	15	–
Tenaga Nasional	MYR	103,400	275	0.03
UEM Sunrise	MYR	45,700	6	–
Westports Holdings	MYR	27,900	18	–
YTL	MYR	131,274	27	–
YTL Power International	MYR	84,884	16	–
			2,815	0.35
Malta 0.00% (0.00%)				
Bgp Holdings^	EUR	196,800	–	–
Brait	ZAR	9,590	18	–
			18	–
Mauritius 0.00% (0.00%)				
Golden Agri-Resources	SGD	166,478	21	–
Rockcastle Global Real Estate^	ZAR	20,000	–	–
			21	–
Mexico 0.42% (0.44%)				
Alfa 'A'	MXN	82,670	77	0.01
Alpek	MXN	8,800	11	–
Alsea	MXN	14,200	34	–
America Movil	MXN	719,358	422	0.05
Arca Continental	MXN	9,760	46	0.01
Banco Santander Mexico 'B'	MXN	47,130	54	0.01
Becle	MXN	12,500	15	–
Cemex	MXN	123,395	59	0.01
Cemex, ADR	USD	27,333	129	0.02
Coca-Cola Femsa	MXN	13,810	64	0.01
Concentradora Fibra Danhos, REIT	MXN	6,300	7	–
El Puerto de Liverpool 'C1'	MXN	5,240	30	–
Fibra Uno Administracion, REIT	MXN	83,950	84	0.01
Fomento Economico Mexicano	MXN	56,640	412	0.05
GMexico Transportes	MXN	14,100	17	–
Gruma 'B'	MXN	5,640	51	0.01
Grupo Aeroportuario del Centro Norte	MXN	8,400	42	0.01
Grupo Aeroportuario del Pacifico 'B'	MXN	9,500	73	0.01
Grupo Aeroportuario del Sureste 'B'	MXN	5,670	81	0.01
Grupo Bimbo	MXN	65,030	98	0.01
Grupo Carso	MXN	9,850	24	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Mexico 0.42% (0.44%) (continued)				
Grupo Comercial Chedraui	MXN	7,300	12	–
Grupo Elektra	MXN	1,770	56	0.01
Grupo Financiero Banorte 'O'	MXN	73,710	391	0.05
Grupo Financiero Inbursa 'O'	MXN	60,650	71	0.01
Grupo Lala	MXN	17,500	14	–
Grupo Mexico	MXN	97,359	203	0.02
Grupo Televisa	MXN	59,450	150	0.02
Industrias Bachoco	MXN	4,600	15	–
Industrias Penoles	MXN	3,460	47	0.01
Infraestructura Energetica Nova	MXN	14,000	50	0.01
Kimberly-Clark de Mexico 'A'	MXN	23,750	30	–
Megacable Holdings	MXN	8,400	33	–
Mexichem	MXN	27,527	70	0.01
Nemak	MXN	16,500	10	–
OHL Mexico	MXN	7,700	9	–
Organizacion Soriana 'B'	MXN	7,100	9	–
Promotora y Operadora de Infraestructura	MXN	5,540	44	0.01
Regional	MXN	6,100	28	–
Telesites	MXN	31,135	18	–
Wal-Mart de Mexico	MXN	139,030	302	0.04
			3,392	0.42
Netherlands 1.61% (1.83%)				
Aalberts Industries	EUR	2,600	74	0.01
ABN AMRO Group, CVA	EUR	10,920	218	0.03
Aegon	EUR	46,681	216	0.03
AerCap Holdings	USD	3,400	136	0.02
Airbus	EUR	14,480	1,255	0.15
Akzo Nobel	EUR	6,692	431	0.05
Altice 'A'	EUR	15,350	32	–
Altice 'B'	EUR	2,360	5	–
ASML Holding	EUR	10,694	1,393	0.17
ASR Nederland	EUR	3,700	126	0.01
Boskalis Westminster	EUR	2,140	46	0.01
CNH Industrial	EUR	25,951	220	0.03
Core Laboratories	USD	1,160	94	0.01
EXOR	EUR	2,853	127	0.02
Ferrari	EUR	3,281	284	0.03
Fiat Chrysler Automobiles	EUR	28,880	352	0.04
Gemalto	EUR	2,200	97	0.01
GrandVision	EUR	1,350	24	–
Heineken	EUR	6,248	415	0.05
Heineken Holding	EUR	2,810	181	0.02
ING Groep	EUR	102,462	976	0.12
Koninklijke Ahold Delhaize	EUR	31,018	530	0.07
Koninklijke DSM	EUR	4,630	326	0.04
Koninklijke KPN	EUR	87,013	175	0.02
Koninklijke Philips	EUR	24,382	744	0.09
Koninklijke Vopak	EUR	1,690	61	0.01
LyondellBasell Industries 'A'	USD	8,430	624	0.08
Mylan	USD	13,566	331	0.04
NN Group	EUR	8,710	289	0.04
NXP Semiconductors	USD	9,023	538	0.07
OCI	EUR	2,600	61	0.01
QIAGEN	EUR	5,701	148	0.02
Randstad Holding	EUR	2,840	107	0.01
Signify	EUR	3,010	55	0.01
STMicroelectronics	EUR	16,769	209	0.03
Unilever, CVA	EUR	39,847	1,598	0.20
Wolters Kluwer	EUR	7,320	315	0.04
Yandex 'A'	USD	6,850	170	0.02
			12,983	1.61

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
New Zealand 0.10% (0.09%)				
a2 Milk	NZD	18,680	90	0.01
Air New Zealand	NZD	12,010	17	–
Auckland International Airport	NZD	24,074	83	0.01
Contact Energy	NZD	19,122	53	0.01
Fisher & Paykel Healthcare	NZD	14,590	102	0.01
Fletcher Building	NZD	22,691	69	0.01
Kiwi Property Group, REIT	NZD	38,780	26	–
Mercury NZ	NZD	18,170	30	–
Meridian Energy	NZD	33,720	53	0.01
Ryman Healthcare	NZD	10,970	69	0.01
SKYCITY Entertainment Group	NZD	18,206	35	0.01
Spark New Zealand	NZD	48,797	94	0.01
Xero	AUD	2,460	56	0.01
			777	0.10
Norway 0.26% (0.25%)				
Aker	NOK	640	40	–
Aker BP	NOK	2,780	80	0.01
DNB	NOK	27,816	419	0.05
Equinor	NOK	25,863	535	0.07
Gjensidige Forsikring	NOK	4,430	53	0.01
Marine Harvest	NOK	10,530	188	0.02
Norsk Hydro	NOK	35,035	138	0.02
Orkla	NOK	20,815	130	0.01
Schibsted 'A'	NOK	2,150	56	0.01
Schibsted 'B'	NOK	2,660	65	0.01
Telenor	NOK	17,589	248	0.03
Yara International	NOK	4,586	167	0.02
			2,119	0.26
Panama 0.06% (0.07%)				
Carnival	USD	10,630	470	0.06
			470	0.06
Papua New Guinea 0.02% (0.02%)				
Oil Search	AUD	34,580	157	0.02
			157	0.02
Poland 0.12% (0.18%)				
Bank Pekao	PLN	4,270	89	0.01
CD Projekt	PLN	1,720	57	0.01
Cyfrowy Polsat	PLN	4,160	19	–
Dino Polska	PLN	1,370	25	–
Grupa Lotos	PLN	2,480	36	–
KGHM Polska Miedz	PLN	3,480	60	0.01
LPP	PLN	22	38	–
mBank	PLN	360	30	–
PGE Polska Grupa Energetyczna	PLN	20,640	41	0.01
Polski Koncern Naftowy ORLEN	PLN	8,080	157	0.02
Polskie Gornictwo Naftowe i Gazownictwo	PLN	48,030	63	0.01
Powszechna Kasa Oszczednosci Bank Polski	PLN	22,220	177	0.02
Powszechny Zaklad Ubezpieczen	PLN	15,280	123	0.02
Santander Bank Polska	PLN	780	56	0.01
			971	0.12
Portugal 0.05% (0.06%)				
Banco Espirito Santo	EUR	55,927	6	–
EDP – Energias de Portugal	EUR	61,320	165	0.02
Galp Energia	EUR	13,430	184	0.02
Jeronimo Martins	EUR	6,360	64	0.01
			419	0.05

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Singapore 0.44% (0.74%)				
Ascendas Real Estate Investment Trust	SGD	61,300	84	0.01
BOC Aviation	HKD	5,500	29	–
CapitaLand	SGD	67,125	114	0.01
CapitaLand Commercial Trust, REIT	SGD	59,871	56	0.01
CapitaLand Mall Trust, REIT	SGD	59,100	68	0.01
City Developments	SGD	12,749	58	0.01
ComfortDelGro	SGD	53,900	63	0.01
DBS Group Holdings	SGD	47,432	640	0.08
Flex	USD	14,364	130	0.02
Frasers Property	SGD	9,800	9	–
Genting Singapore	SGD	150,300	78	0.01
Grindrod Shipping Holdings	ZAR	355	2	–
Hutchison Port Holdings Trust 'U'	USD	124,400	23	–
Jardine Cycle & Carriage	SGD	2,522	40	–
Keppel	SGD	37,190	138	0.02
M1	SGD	10,300	12	–
Oversea-Chinese Banking	SGD	85,851	504	0.06
SATS	SGD	17,000	45	0.01
Sembcorp Industries	SGD	24,914	40	–
Sembcorp Marine	SGD	22,200	23	–
SIA Engineering	SGD	6,500	10	–
Singapore Airlines	SGD	13,373	68	0.01
Singapore Exchange	SGD	21,100	80	0.01
Singapore Post	SGD	39,200	23	–
Singapore Press Holdings	SGD	43,031	62	0.01
Singapore Technologies Engineering	SGD	41,500	78	0.01
Singapore Telecommunications	SGD	196,772	337	0.04
StarHub	SGD	15,790	16	–
Suntec Real Estate Investment Trust	SGD	52,600	52	0.01
United Overseas Bank	SGD	33,580	466	0.06
UOL Group	SGD	13,308	45	0.01
Venture	SGD	7,000	62	0.01
Wilmar International	SGD	51,600	85	0.01
Wing Tai Holdings	SGD	11,000	12	–
			3,552	0.44
South Africa 0.76% (0.86%)				
Absa Group	ZAR	18,550	143	0.02
AECI	ZAR	2,960	15	–
African Rainbow Minerals	ZAR	2,780	18	–
Anglo American Platinum	ZAR	1,709	44	0.01
AngloGold Ashanti	ZAR	10,362	80	0.01
Aspen Pharmacare Holdings	ZAR	10,150	87	0.01
Assore	ZAR	890	15	–
Attacq	ZAR	19,410	15	–
AVI	ZAR	9,120	47	0.01
Barloworld	ZAR	5,980	36	–
Bid	ZAR	8,607	122	0.02
Bidvest Group	ZAR	8,647	85	0.01
Capitec Bank Holdings	ZAR	1,425	73	0.01
Clicks Group	ZAR	6,660	55	0.01
Coronation Fund Managers	ZAR	7,430	19	–
Curro Holdings	ZAR	4,090	6	–
Dis-Chem Pharmacies	ZAR	6,760	10	–
Discovery	ZAR	9,209	75	0.01
Exxaro Resources	ZAR	6,750	52	0.01
Famous Brands	ZAR	2,130	11	–
FirstRand	ZAR	83,160	269	0.03
Fortress REIT	ZAR	18,308	17	–
Fortress REIT 'B'	ZAR	24,972	20	–
Foschini Group	ZAR	6,050	53	0.01
Gold Fields	ZAR	21,459	46	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Africa 0.76% (0.86%) (continued)				
Grindrod	ZAR	14,210	5	–
Growthpoint Properties, REIT	ZAR	78,870	97	0.01
Harmony Gold Mining	ZAR	10,060	16	–
Hyprop Investments, REIT	ZAR	6,860	33	–
Impala Platinum Holdings	ZAR	18,432	25	–
Imperial Holdings	ZAR	4,350	37	0.01
Investec	ZAR	7,600	36	0.01
JSE	ZAR	2,170	18	–
KAP Industrial Holdings	ZAR	52,050	21	–
Kumba Iron Ore	ZAR	1,420	22	–
Liberty Holdings	ZAR	3,470	19	–
Life Healthcare Group Holdings	ZAR	36,814	46	0.01
Massmart Holdings	ZAR	2,860	14	–
MMI Holdings	ZAR	28,360	25	–
Mondi	ZAR	3,290	59	0.01
Mr Price Group	ZAR	6,780	82	0.01
MTN Group	ZAR	48,318	212	0.03
Nampak	ZAR	19,150	14	–
Naspers 'N'	ZAR	11,218	1,632	0.20
Nedbank Group	ZAR	9,492	119	0.02
Netcare	ZAR	40,810	51	0.01
Northam Platinum	ZAR	9,970	21	–
Oceana Group	ZAR	1,010	4	–
Old Mutual	ZAR	111,530	130	0.02
Omnia Holdings	ZAR	1,490	10	–
Pepkor Holdings	ZAR	19,050	17	–
Pick n Pay Stores	ZAR	9,711	33	–
Pioneer Foods Group	ZAR	4,140	18	–
PSG Group	ZAR	4,000	45	0.01
Rand Merchant Investment Holdings	ZAR	18,920	35	–
Redefine Properties, REIT	ZAR	140,871	71	0.01
Remgro	ZAR	13,362	133	0.02
Resilient REIT	ZAR	6,190	19	–
Reunert	ZAR	4,730	18	–
RMB Holdings	ZAR	18,250	67	0.01
Sanlam	ZAR	46,520	175	0.02
Santam	ZAR	1,130	17	–
Sappi	ZAR	15,050	64	0.01
Sasol	ZAR	13,980	385	0.05
Shoprite Holdings	ZAR	11,940	118	0.02
Sibanye Gold	ZAR	50,093	35	–
SPAR Group	ZAR	5,161	47	0.01
Standard Bank Group	ZAR	33,408	283	0.04
Super Group	ZAR	9,590	19	–
Telkom	ZAR	8,560	23	–
Tiger Brands	ZAR	4,433	60	0.01
Tongaat Hulett	ZAR	3,160	10	–
Truworths International	ZAR	11,850	51	0.01
Tsogo Sun Holdings	ZAR	13,680	14	–
Vodacom Group	ZAR	16,240	102	0.01
Woolworths Holdings	ZAR	26,245	67	0.01
			6,087	0.76
South Korea 1.68% (1.96%)				
Amorepacific	KRW	850	113	0.01
Amorepacific Preference	KRW	280	21	–
AMOREPACIFIC Group	KRW	790	40	0.01
BGF	KRW	737	4	–
BGF retail	KRW	162	21	–
BNK Financial Group	KRW	7,827	42	0.01
Celltrion	KRW	2,055	361	0.05
Celltrion Healthcare	KRW	1,253	67	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Korea 1.68% (1.96%) (continued)				
Cheil Worldwide	KRW	1,800	27	–
CJ	KRW	340	26	–
CJ CheilJedang	KRW	210	45	0.01
CJ CheilJedang Preference	KRW	40	3	–
CJ ENM	KRW	290	46	0.01
CJ Logistics	KRW	200	20	–
Coway	KRW	1,400	75	0.01
Daelim Industrial	KRW	720	39	0.01
Daewoo Engineering & Construction	KRW	4,990	17	–
DB Insurance	KRW	1,250	60	0.01
DGB Financial Group	KRW	4,091	28	–
Dongsuh	KRW	820	11	–
Doosan	KRW	150	13	–
Doosan Heavy Industries & Construction	KRW	1,760	15	–
Doosan Infracore	KRW	3,730	22	–
E-MART	KRW	539	75	0.01
GS Engineering & Construction	KRW	1,245	41	0.01
GS Holdings	KRW	1,370	47	0.01
GS Retail	KRW	730	19	–
Hana Financial Group	KRW	7,727	224	0.03
Hankook Tire	KRW	2,014	63	0.01
Hanmi Pharm	KRW	184	52	0.01
Hanmi Science	KRW	368	18	–
Hanon Systems	KRW	4,240	33	–
Hanssem	KRW	270	11	–
Hanwha	KRW	1,090	21	–
Hanwha Chemical	KRW	2,260	25	–
Hanwha Life Insurance	KRW	7,550	24	–
Hanwha Aerospace	KRW	1,020	19	–
HDC Hyundai Development Co-Engineering & Construction 'E'	KRW	757	21	–
Hite Jinro	KRW	860	9	–
Hotel Shilla	KRW	820	46	0.01
Hyosung	KRW	255	8	–
Hyosung Advanced Materials	KRW	82	6	–
Hyosung Chemical	KRW	59	5	–
Hyosung Heavy Industries	KRW	172	6	–
Hyosung TNC	KRW	80	9	–
Hyundai Construction Equipment	KRW	160	13	–
Hyundai Department Store	KRW	390	24	–
HDC Holdings	KRW	692	8	–
Hyundai Engineering & Construction	KRW	1,950	71	0.01
Hyundai Glovis	KRW	490	37	0.01
Hyundai Heavy Industries	KRW	1,118	99	0.01
Hyundai Marine & Fire Insurance	KRW	1,600	44	0.01
Hyundai Mipo Dockyard	KRW	260	17	–
Hyundai Mobis	KRW	1,715	219	0.03
Hyundai Motor	KRW	3,620	276	0.04
Hyundai Motor Preference	KRW	890	44	0.01
Hyundai Motor 2nd Preference	KRW	600	27	–
Hyundai Heavy Industries Holdings	KRW	284	73	0.01
Hyundai Steel	KRW	1,990	66	0.01
Hyundai Wia	KRW	440	11	–
Industrial Bank of Korea	KRW	7,110	69	0.01
Kakao	KRW	1,250	83	0.01
Kangwon Land	KRW	2,860	55	0.01
KB Financial Group	KRW	3,120	110	0.01
KB Financial Group, ADR	USD	7,188	253	0.03
KCC	KRW	150	29	–
KEPCO Plant Service & Engineering	KRW	600	12	–
Kia Motors	KRW	6,740	141	0.02
Korea Aerospace Industries	KRW	1,710	36	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Korea 1.68% (1.96%) (continued)				
Korea Electric Power	KRW	1,730	29	–
Korea Electric Power, ADR	USD	10,140	83	0.01
Korea Gas	KRW	680	26	–
Korea Investment Holdings	KRW	1,010	42	0.01
Korea Zinc	KRW	260	68	0.01
Korean Air Lines	KRW	1,340	23	–
KT&G	KRW	2,880	191	0.02
Kumho Petrochemical	KRW	460	26	–
LG	KRW	2,320	102	0.01
LG Chem	KRW	1,189	259	0.03
LG Chem Preference	KRW	210	26	–
LG Display	KRW	6,060	72	0.01
LG Electronics	KRW	2,790	121	0.02
LG Electronics Preference	KRW	490	9	–
LG Household & Health Care	KRW	230	166	0.02
LG Household & Health Care Preference	KRW	60	28	–
LG Uplus	KRW	5,120	59	0.01
Lotte	KRW	1,570	59	0.01
Lotte Chemical	KRW	400	71	0.01
Lotte Chilsung Beverage	KRW	12	11	–
LOTTE Fine Chemical	KRW	480	15	–
Lotte Shopping	KRW	305	43	0.01
LS	KRW	450	18	–
Mando	KRW	900	16	–
Mirae Asset Daewoo	KRW	10,394	49	0.01
Mirae Asset Daewoo Preference	KRW	3,770	10	–
NAVER	KRW	3,580	326	0.04
NCSoft	KRW	460	127	0.02
Netmarble Games	KRW	490	37	0.01
NH Investment & Securities	KRW	3,360	27	–
NHN Entertainment	KRW	280	10	–
NongShim	KRW	90	14	–
OCI	KRW	480	32	–
Orion	KRW	593	43	0.01
Ottogi	KRW	30	14	–
Paradise	KRW	1,260	15	–
POSCO	KRW	480	85	0.01
POSCO, ADR	USD	5,200	231	0.03
Posco Daewoo	KRW	1,370	19	–
S-1	KRW	510	31	–
Samsung Biologics	KRW	340	106	0.01
Samsung C&T	KRW	1,991	154	0.02
Samsung Card	KRW	860	19	–
Samsung Electro-Mechanics	KRW	1,480	132	0.02
Samsung Electronics	KRW	44,600	1,311	0.16
Samsung Electronics Preference	KRW	21,630	512	0.06
Samsung Electronics, GDR	USD	3,170	2,312	0.29
Samsung Engineering	KRW	4,160	53	0.01
Samsung Fire & Marine Insurance	KRW	871	161	0.02
Samsung Fire & Marine Insurance Preference	KRW	80	10	–
Samsung Heavy Industries	KRW	11,834	59	0.01
Samsung Life Insurance	KRW	1,640	100	0.01
Samsung SDI	KRW	1,367	224	0.03
Samsung SDS	KRW	820	111	0.01
Samsung Securities	KRW	1,743	33	0.01
Shinhan Financial Group	KRW	5,185	152	0.02
Shinhan Financial Group, ADR	USD	6,850	200	0.03
Shinsegae	KRW	181	34	0.01
SillaJen	KRW	1,400	80	0.01
SK Holdings	KRW	884	157	0.02
SK Hynix	KRW	7,260	342	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
South Korea 1.68% (1.96%) (continued)				
SK Hynix, GDR	USD	6,740	317	0.04
SK Innovation	KRW	1,579	227	0.03
SK Networks	KRW	4,130	14	–
SK Telecom	KRW	560	101	0.01
SK Telecom, ADR	USD	218	4	–
SKC	KRW	530	14	–
S-Oil	KRW	1,050	90	0.01
Woori Bank	KRW	13,150	143	0.02
Yuhan	KRW	228	32	–
			13,552	1.68
Spain 1.04% (1.25%)				
Acciona	EUR	590	37	0.01
Acerinox	EUR	4,691	46	0.01
ACS Actividades de Construccion y Servicios	EUR	6,480	188	0.02
Aena SME	EUR	1,680	205	0.03
Amadeus IT Group 'A'	EUR	10,850	669	0.08
Banco Bilbao Vizcaya Argentaria	EUR	175,085	819	0.10
Banco de Sabadell	EUR	150,286	167	0.02
Banco Santander	EUR	419,996	1,564	0.19
Bankia	EUR	32,585	91	0.01
Bankinter	EUR	17,778	123	0.02
CaixaBank	EUR	94,073	318	0.04
Cellnex Telecom	EUR	4,080	76	0.01
Corp. Financiera Alba	EUR	560	21	–
EDP Renovaveis	EUR	4,100	29	–
Enagas	EUR	6,120	120	0.02
Endesa	EUR	8,230	124	0.02
Ferrovial	EUR	12,563	188	0.02
Fomento de Construcciones y Contratas	EUR	1,920	20	–
Grifols	EUR	8,500	165	0.02
Grifols Preference 'B'	EUR	7,070	105	0.01
Grupo Catalana Occidente	EUR	1,220	37	0.01
Iberdrola	EUR	157,595	830	0.10
Industria de Diseno Textil	EUR	27,600	588	0.07
Inmobiliaria Colonial Socimi, REIT	EUR	8,140	59	0.01
Mapfre	EUR	26,497	60	0.01
Mediaset Espana Comunicacion	EUR	4,645	25	–
Merlin Properties Socimi, REIT	EUR	9,010	87	0.01
Naturgy Energy Group	EUR	8,056	154	0.02
Red Electrica	EUR	11,540	180	0.02
Repsol	EUR	32,057	460	0.06
Siemens Gamesa Renewable Energy	EUR	6,050	50	0.01
Telefonica	EUR	119,344	738	0.09
Zardoya Otis	EUR	4,903	28	–
			8,371	1.04
Supranational 0.06% (0.00%)				
Unibail-Rodamco-Westfield, REIT	EUR	3,531	486	0.06
			486	0.06
Sweden 0.89% (1.11%)				
Alfa Laval	SEK	8,170	152	0.02
Assa Abloy 'B'	SEK	24,275	346	0.04
Atlas Copco 'A'	SEK	16,624	317	0.04
Atlas Copco 'B'	SEK	9,840	172	0.02
Boliden	SEK	7,120	144	0.02
Electrolux	SEK	6,400	97	0.01
Elekta 'B'	SEK	9,570	86	0.01
Epiroc 'A'	SEK	16,824	135	0.02
Epiroc 'B'	SEK	9,670	71	0.01
Essity 'B'	SEK	16,047	297	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Sweden 0.89% (1.11%) (continued)				
Fastighets AB Balder 'B'	SEK	2,590	48	0.01
Hennes & Mauritz 'B'	SEK	23,180	317	0.04
Hexagon 'B'	SEK	6,540	251	0.03
Husqvarna 'B'	SEK	10,360	62	0.01
ICA Gruppen	SEK	1,960	47	0.01
Industrivarden 'A'	SEK	5,360	86	0.01
Industrivarden 'C'	SEK	4,460	69	0.01
Investment AB Latour 'B'	SEK	3,280	28	–
Investor 'A'	SEK	3,540	113	0.01
Investor 'B'	SEK	12,010	383	0.05
Kinnevik 'B'	SEK	6,260	131	0.02
L E Lundbergforetagen 'B'	SEK	1,990	47	–
Lundin Petroleum	SEK	4,640	114	0.01
Nibe Industrier 'B'	SEK	8,040	63	0.01
Saab 'C'	SEK	2,020	72	0.01
Sandvik	SEK	28,500	340	0.04
Securitas 'B'	SEK	7,990	98	0.01
Skandinaviska Enskilda Banken 'A'	SEK	37,964	299	0.04
Skandinaviska Enskilda Banken 'C'	SEK	630	5	–
Skanska 'B'	SEK	9,460	130	0.02
SKF 'B'	SEK	9,980	131	0.02
Svenska Cellulosa 'B'	SEK	15,397	115	0.01
Svenska Handelsbanken 'A'	SEK	38,558	343	0.04
Svenska Handelsbanken 'B'	SEK	960	9	–
Swedbank 'A'	SEK	26,487	437	0.05
Swedish Match	SEK	4,560	169	0.02
Swedish Orphan Biovitrum	SEK	4,320	78	0.01
Tele2 'B'	SEK	9,377	84	0.01
Telefonaktiebolaget LM Ericsson 'A'	SEK	1,020	6	–
Telefonaktiebolaget LM Ericsson 'B'	SEK	77,954	489	0.06
Telia	SEK	71,088	247	0.03
Trelleborg 'B'	SEK	6,260	84	0.01
Volvo 'B'	SEK	39,245	474	0.06
			7,186	0.89
Switzerland 3.02% (3.37%)				
ABB	CHF	46,879	751	0.09
Adecco Group	CHF	4,030	151	0.02
Baloise Holding 'Registered Shares'	CHF	1,250	139	0.02
Banque Cantonale Vaudoise	CHF	80	43	0.01
Barry Callebaut	CHF	50	71	0.01
Chocoladefabriken Lindt & Spruengli	CHF	26	131	0.02
Chocoladefabriken Lindt & Spruengli 'Registered Shares'	CHF	3	175	0.02
Chubb	USD	12,194	1,168	0.14
Cie Financiere Richemont	CHF	13,410	733	0.09
Clariant	CHF	5,310	92	0.01
Credit Suisse Group	CHF	66,798	687	0.08
DKSH Holding	CHF	700	35	–
Dufry	CHF	800	66	0.01
EMS-Chemie Holding	CHF	190	77	0.01
Flughafen Zurich	CHF	520	76	0.01
Garmin	USD	3,080	146	0.02
Geberit	CHF	950	309	0.04
Georg Fischer	CHF	110	81	0.01
Givaudan	CHF	237	410	0.05
Helvetia Holding	CHF	180	81	0.01
Julius Baer Group	CHF	5,648	197	0.02
Kuehne + Nagel International	CHF	1,300	140	0.02
LafargeHolcim	CHF	12,547	428	0.05
Logitech International	CHF	3,920	116	0.01
Lonza Group	CHF	1,964	463	0.06
Nestle	CHF	79,360	4,809	0.60

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Switzerland 3.02% (3.37%) (continued)				
Novartis	CHF	57,365	3,630	0.45
OC Oerlikon	CHF	5,260	47	0.01
Pargesa Holding	CHF	1,030	56	0.01
Partners Group Holding	CHF	440	237	0.03
PSP Swiss Property	CHF	1,060	75	0.01
Roche Holding	CHF	18,300	3,312	0.41
Roche Holding 'Bearer Shares'	CHF	700	127	0.02
Schindler Holding	CHF	1,070	179	0.02
Schindler Holding 'Registered Shares'	CHF	500	82	0.01
SGS	CHF	130	225	0.03
Sika	CHF	3,670	351	0.04
Sonova Holding	CHF	1,370	168	0.02
Straumann Holding	CHF	270	136	0.02
Sulzer	CHF	340	27	–
Swatch Group	CHF	775	201	0.02
Swatch Group 'Registered Shares'	CHF	1,220	62	0.01
Swiss Life Holding	CHF	883	247	0.03
Swiss Prime Site	CHF	2,034	121	0.01
Swiss Re	CHF	7,787	529	0.07
Swisscom	CHF	670	223	0.03
TE Connectivity	USD	9,113	546	0.07
Temenos Group	CHF	1,580	154	0.02
UBS Group	CHF	92,601	1,005	0.12
Vifor Pharma	CHF	1,200	129	0.02
Zurich Insurance Group	CHF	3,957	921	0.11
			24,365	3.02
Taiwan 1.39% (1.52%)				
Acer, GDR	USD	15,885	42	0.01
Advantech	TWD	9,674	47	0.01
ASE Technology Holding	TWD	87,661	136	0.02
Asia Cement	TWD	63,491	59	0.01
Asustek Computer	TWD	7,000	41	0.01
Asustek Computer, GDR	USD	2,306	67	0.01
AU Optronics, ADR	USD	23,721	70	0.01
Capital Securities	TWD	60,990	14	–
Catcher Technology	TWD	18,111	127	0.02
Cathay Financial Holding	TWD	90,000	111	0.01
Cathay Financial Holding, GDR	USD	11,659	143	0.02
Chang Hwa Commercial Bank	TWD	162,534	70	0.01
Cheng Shin Rubber Industry	TWD	48,733	51	0.01
Chicony Electronics	TWD	16,458	22	–
China Airlines	TWD	71,000	16	–
China Development Financial Holding	TWD	372,107	93	0.01
China Life Insurance	TWD	67,352	47	0.01
China Motor	TWD	16,000	9	–
China Steel	TWD	131,000	77	0.01
China Steel, GDR	USD	9,895	117	0.02
Chunghwa Telecom	TWD	33,000	86	0.01
Chunghwa Telecom, ADR	USD	6,624	175	0.02
Compal Electronics	TWD	32,000	14	–
Compal Electronics, GDR	USD	15,816	34	–
CTBC Financial Holding	TWD	474,566	247	0.03
Delta Electronics	TWD	56,045	161	0.02
E.Sun Financial Holding	TWD	266,999	141	0.02
Eclat Textile	TWD	5,100	43	0.01
Epistar	TWD	28,000	22	–
Eternal Materials	TWD	26,931	16	–
Eva Airways	TWD	60,131	21	–
Evergreen Marine Corp. Taiwan	TWD	58,212	17	–
Far Eastern International Bank	TWD	49,969	12	–
Far Eastern New Century	TWD	105,683	83	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Taiwan 1.39% (1.52%) (continued)				
Far EasTone Telecommunications	TWD	42,000	73	0.01
Feng Hsin Steel	TWD	13,000	19	–
Feng TAY Enterprise	TWD	8,720	36	0.01
First Financial Holding	TWD	260,830	127	0.02
Formosa Chemicals & Fibre	TWD	91,005	259	0.03
Formosa Petrochemical	TWD	34,000	103	0.01
Formosa Plastics	TWD	127,746	324	0.04
Formosa Taffeta	TWD	27,000	22	–
Foxconn Technology	TWD	29,441	47	0.01
Fubon Financial Holding	TWD	74,000	91	0.01
Fubon Financial Holding, GDR	USD	11,774	145	0.02
Giant Manufacturing	TWD	8,000	23	–
Globalwafers	TWD	4,000	26	–
Hon Hai Precision Industry	TWD	176,191	305	0.04
Hon Hai Precision Industry, GDR	USD	108,055	378	0.05
HTC	TWD	19,348	15	–
Hua Nan Financial Holdings	TWD	212,712	91	0.01
Innolux	TWD	233,428	54	0.01
Inventec	TWD	80,000	47	0.01
Largan Precision	TWD	3,000	257	0.03
Lite-On Technology	TWD	56,464	47	0.01
MediaTek	TWD	38,326	208	0.03
Mega Financial Holding	TWD	283,803	185	0.02
Nan Ya Plastics	TWD	145,591	274	0.03
Nanya Technology	TWD	22,000	31	–
Novatek Microelectronics	TWD	15,000	48	0.01
OBI Pharma	TWD	3,000	10	–
Oriental Union Chemical	TWD	20,000	16	–
Pegatron	TWD	15,000	20	–
Pegatron, GDR	USD	7,825	52	0.01
Pou Chen	TWD	72,000	51	0.01
President Chain Store	TWD	15,000	122	0.02
Quanta Computer	TWD	69,000	82	0.01
Realtek Semiconductor	TWD	1,000	3	–
Realtek Semiconductor, GDR	USD	2,771	29	–
Shin Kong Financial Holding	TWD	216,347	55	0.01
SinoPac Financial Holdings	TWD	279,690	70	0.01
Synnex Technology International	TWD	35,650	30	–
Taishin Financial Holding	TWD	244,190	84	0.01
Taiwan Business Bank	TWD	113,926	30	–
Taiwan Cement	TWD	120,791	114	0.01
Taiwan Cooperative Financial Holding	TWD	224,845	96	0.01
Taiwan Fertilizer	TWD	19,000	21	–
Taiwan Glass Industry	TWD	43,665	15	–
Taiwan High Speed Rail	TWD	53,000	36	0.01
Taiwan Mobile	TWD	42,000	111	0.01
Taiwan Secom	TWD	8,105	17	–
Taiwan Semiconductor Manufacturing	TWD	239,000	1,355	0.17
Taiwan Semiconductor Manufacturing, ADR	USD	78,843	2,374	0.30
Teco Electric and Machinery	TWD	49,000	23	–
Transcend Information	TWD	8,000	13	–
U-Ming Marine Transport	TWD	10,000	9	–
Unimicron Technology	TWD	33,000	13	–
Uni-President Enterprises	TWD	125,791	225	0.03
United Microelectronics	TWD	84,000	28	–
United Microelectronics, ADR	USD	46,407	77	0.01
Vanguard International Semiconductor	TWD	24,000	34	–
Walsin Lihwa	TWD	85,000	34	–
Walsin Technology	TWD	13,000	54	0.01
Wan Hai Lines	TWD	22,000	9	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Taiwan 1.39% (1.52%) (continued)				
Wistron	TWD	76,987	34	–
Yageo	TWD	10,000	101	0.01
Yuanta Financial Holding	TWD	278,427	100	0.01
Yulon Motor	TWD	24,000	11	–
			11,224	1.39
Thailand 0.40% (0.39%)				
Advanced Info Service 'Registered Shares'	THB	37,000	168	0.02
Airports of Thailand	THB	122,000	180	0.02
Bangkok Bank	THB	15,100	74	0.01
Bangkok Dusit Medical Services 'F'	THB	258,000	149	0.02
Banpu	THB	117,900	50	0.01
Berli Jucker	THB	27,600	36	–
Bumrungrad Hospital	THB	8,800	38	–
Central Pattana	THB	64,100	116	0.01
Charoen Pokphand Foods	THB	141,100	79	0.01
CP ALL	THB	146,800	229	0.03
Electricity Generating 'Registered Shares'	THB	8,400	45	0.01
Finance One Public^	USD	6,000	–	–
Glow Energy	THB	13,900	27	–
Indorama Ventures	THB	55,700	74	0.01
Intouch Holdings, NVDR	THB	59,600	73	0.01
IRPC	THB	319,200	47	0.01
Kasikornbank	THB	54,000	264	0.03
Krung Thai Bank	THB	166,600	77	0.01
Land & Houses 'Registered Shares'	THB	217,700	53	0.01
Minor International 'Registered Shares'	THB	103,300	93	0.01
PTT	THB	387,000	461	0.06
PTT Exploration & Production 'Registered Shares'	THB	42,989	147	0.02
PTT Global Chemical	THB	58,800	106	0.01
Siam Cement	THB	23,900	233	0.03
Siam Commercial Bank	THB	77,000	253	0.03
Thai Oil	THB	32,800	63	0.01
TMB Bank	THB	760,600	41	0.01
Total Access Communication, NVDR	THB	18,100	18	–
True Corp.	THB	264,800	37	–
			3,231	0.40
Turkey 0.08% (0.14%)				
Akbank Turk	TRY	55,600	51	0.01
Anadolu Efes Biracilik ve Malt Sanayii	TRY	6,450	16	–
Arcelik	TRY	5,520	10	–
Aselsan Elektronik Sanayi ve Ticaret	TRY	4,400	16	–
BIM Birlesik Magazalar	TRY	6,220	65	0.01
Coca-Cola Icecek	TRY	1,800	8	–
Emlak Konut Gayrimenkul Yatirim Ortakligi, REIT	TRY	52,690	12	–
Enka Insaat ve Sanayi	TRY	10,253	7	–
Eregli Demir ve Celik Fabrikalari	TRY	37,867	54	0.01
Ford Otomotiv Sanayi	TRY	1,960	17	–
Haci Omer Sabanci Holding	TRY	26,550	27	–
KOC Holding	TRY	23,087	50	0.01
Koza Altin Isletmeleri	TRY	1,590	12	–
Petkim Petrokimya Holding	TRY	22,506	16	–
Soda Sanayii	TRY	10,700	9	–
TAV Havalimanlari Holding	TRY	4,700	17	–
Tofas Turk Otomobil Fabrikasi	TRY	3,740	11	–
Tupras Turkiye Petrol Rafinerileri	TRY	3,330	60	0.01
Turk Hava Yollari AO	TRY	14,611	34	0.01
Turk Telekomunikasyon	TRY	12,880	6	–
Turkcell Iletisim Hizmetleri	TRY	27,130	38	0.01
Turkiye Garanti Bankasi	TRY	56,880	57	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Turkey 0.08% (0.14%) (continued)				
Turkiye Halk Bankasi	TRY	17,410	17	–
Turkiye Is Bankasi 'C'	TRY	39,860	22	–
Turkiye Sise ve Cam Fabrikalari	TRY	13,175	9	–
Turkiye Vakiflar Bankasi 'D'	TRY	29,450	15	–
Ulker Biskuvi Sanayi	TRY	4,360	9	–
Yapi ve Kredi Bankasi	TRY	44,517	10	–
			675	0.08
United Kingdom 0.23% (0.25%)				
Aon	USD	6,405	719	0.09
Coca-Cola European Partners	USD	4,800	157	0.02
Liberty Global 'A'	USD	5,282	101	0.01
Liberty Global 'C'	USD	14,085	265	0.03
Nielsen Holdings	USD	9,600	190	0.02
Sensata Technologies Holding	USD	4,350	144	0.02
TechnipFMC	EUR	12,110	280	0.04
			1,856	0.23
United States of America 57.89% (53.86%)				
3M	USD	15,010	2,257	0.28
Abbott Laboratories	USD	45,046	2,370	0.29
AbbVie	USD	39,910	2,746	0.34
ABIOMED	USD	1,120	327	0.04
Activision Blizzard	USD	19,800	1,171	0.15
Acuity Brands	USD	1,030	96	0.01
Adobe Systems	USD	12,940	2,443	0.30
Advance Auto Parts	USD	1,900	238	0.03
Advanced Micro Devices	USD	24,040	481	0.06
AES	USD	17,795	198	0.02
Aetna	USD	8,419	1,283	0.16
Affiliated Managers Group	USD	1,400	132	0.02
Aflac	USD	20,260	677	0.08
Agilent Technologies	USD	8,449	425	0.05
AGNC Investment, REIT	USD	12,450	168	0.02
Air Products & Chemicals	USD	5,810	698	0.09
Akamai Technologies	USD	4,370	209	0.03
Alaska Air Group	USD	860	40	0.01
Albemarle	USD	2,840	205	0.03
Alcoa	USD	4,976	135	0.02
Alexandria Real Estate Equities, REIT	USD	2,760	251	0.03
Alexion Pharmaceuticals	USD	5,610	519	0.06
Align Technology	USD	2,080	517	0.06
Alleghany	USD	400	183	0.02
Alliance Data Systems	USD	1,260	204	0.03
Alliant Energy	USD	6,090	196	0.02
Allstate	USD	9,270	655	0.08
Ally Financial	USD	11,140	221	0.03
Alnylam Pharmaceuticals	USD	2,410	150	0.02
Alphabet 'A'	USD	7,870	6,693	0.83
Alphabet 'C'	USD	8,025	6,761	0.84
Altria Group	USD	49,850	2,272	0.28
Amazon.com	USD	10,710	14,538	1.80
Ameren	USD	6,360	308	0.04
American Airlines Group	USD	3,170	74	0.01
American Electric Power	USD	13,080	704	0.09
American Express	USD	17,370	1,358	0.17
American International Group	USD	23,388	883	0.11
American Tower, REIT	USD	11,540	1,243	0.15
American Water Works	USD	4,760	317	0.04
Ameriprise Financial	USD	3,752	387	0.05
AmerisourceBergen	USD	4,160	279	0.03
AMETEK	USD	5,970	330	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Amgen	USD	17,054	2,554	0.32
Amphenol 'A'	USD	7,740	500	0.06
Anadarko Petroleum	USD	13,522	694	0.09
Analog Devices	USD	9,789	625	0.08
Annaly Capital Management, REIT	USD	33,250	249	0.03
ANSYS	USD	2,180	263	0.03
Antero Resources	USD	6,550	93	0.01
Anthem	USD	6,849	1,410	0.18
Apache	USD	10,005	343	0.04
Apergy	USD	2,120	68	0.01
Apple	USD	127,380	21,472	2.66
Applied Materials	USD	26,460	677	0.08
Aramark	USD	6,360	194	0.02
Archer-Daniels-Midland	USD	14,648	543	0.07
Arconic	USD	11,260	184	0.02
Arista Networks	USD	1,490	251	0.03
Arrow Electronics	USD	2,320	121	0.02
Arthur J Gallagher	USD	4,850	262	0.03
Ashland Global Holdings	USD	1,670	95	0.01
Assurant	USD	1,370	106	0.01
AT&T	USD	191,488	4,684	0.58
Autodesk	USD	5,810	609	0.08
Autoliv	USD	2,350	143	0.02
Automatic Data Processing	USD	11,590	1,238	0.15
AutoNation	USD	1,460	42	0.01
AutoZone	USD	700	412	0.05
AvalonBay Communities, REIT	USD	3,653	479	0.06
Avangrid	USD	1,560	55	0.01
Avery Dennison	USD	2,360	176	0.02
Avnet	USD	3,110	96	0.01
Baker Hughes a GE	USD	10,854	254	0.03
Ball	USD	8,940	300	0.04
Bank of America	USD	245,269	5,290	0.66
Bank of New York Mellon	USD	24,313	905	0.11
Baxter International	USD	13,260	717	0.09
BB&T	USD	20,462	728	0.09
Becton Dickinson	USD	6,970	1,283	0.16
Ben Franklin Retail Stores^	USD	50	–	–
Berkshire Hathaway 'A'	USD	11	2,588	0.32
Berkshire Hathaway 'B'	USD	34,305	5,380	0.67
Best Buy	USD	6,390	351	0.04
Biogen	USD	5,290	1,328	0.16
BioMarin Pharmaceutical	USD	4,620	349	0.04
BlackRock	USD	3,240	1,051	0.13
Boeing	USD	15,280	4,172	0.52
Booking Holdings	USD	1,250	1,714	0.21
BorgWarner	USD	5,440	156	0.02
Boston Properties, REIT	USD	4,040	352	0.04
Boston Scientific	USD	36,231	1,017	0.13
Brighthouse Financial	USD	3,215	105	0.01
Bristol-Myers Squibb	USD	43,050	1,878	0.23
Broadcom	USD	11,352	2,007	0.25
Broadridge Financial Solutions	USD	3,050	272	0.03
Brookfield Property REIT	USD	1,110	16	–
Brown & Brown	USD	6,220	132	0.02
Brown-Forman 'B'	USD	8,017	283	0.04
CA	USD	8,197	272	0.03
Cabot Oil & Gas	USD	11,460	203	0.03
Cadence Design Systems	USD	7,350	223	0.03
Campbell Soup	USD	4,790	135	0.02
Capital One Financial	USD	12,525	863	0.11

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Cardinal Health	USD	8,135	319	0.04
CarMax	USD	4,740	244	0.03
Caterpillar	USD	15,280	1,647	0.20
Cboe Global Markets	USD	2,940	223	0.03
CBRE Group 'A'	USD	8,300	245	0.03
CBS, (Non-Voting) 'B'	USD	8,626	355	0.04
CDK Global	USD	3,393	146	0.02
CDW	USD	3,870	242	0.03
Celanese	USD	3,580	268	0.03
Celgene	USD	18,460	1,157	0.14
Centene	USD	5,320	568	0.07
CenterPoint Energy	USD	11,589	240	0.03
CenturyLink	USD	25,052	393	0.05
Cerner	USD	8,300	391	0.05
CF Industries Holdings	USD	6,080	242	0.03
CH Robinson Worldwide	USD	3,650	254	0.03
Charles Schwab	USD	31,595	1,175	0.15
Charter Communications 'A'	USD	4,584	1,074	0.13
Cheniere Energy	USD	5,670	278	0.03
Chevron	USD	50,180	4,482	0.56
Chipotle Mexican Grill	USD	640	212	0.03
Church & Dwight	USD	6,390	272	0.03
Cigna	USD	6,210	976	0.12
Cimarex Energy	USD	2,450	173	0.02
Cincinnati Financial	USD	4,149	228	0.03
Cintas	USD	2,330	331	0.04
Cisco Systems	USD	124,015	4,300	0.53
CIT Group	USD	2,810	104	0.01
Citigroup	USD	66,305	3,514	0.44
Citizens Financial Group	USD	12,580	345	0.04
Citrix Systems	USD	3,570	278	0.03
Clorox	USD	3,390	373	0.05
CME Group	USD	8,940	1,197	0.15
CMS Energy	USD	7,520	279	0.03
CNA Financial	USD	720	24	–
Coca-Cola	USD	100,750	3,414	0.42
Cognizant Technology Solutions 'A'	USD	15,340	840	0.10
Colgate-Palmolive	USD	22,410	1,064	0.13
Comcast 'A'	USD	120,324	3,161	0.39
Comerica	USD	4,520	291	0.04
Commerce Bancshares	USD	2,460	115	0.01
Conagra Brands	USD	10,160	273	0.03
Concho Resources	USD	5,150	588	0.07
ConocoPhillips	USD	30,823	1,727	0.21
Consolidated Edison	USD	8,240	470	0.06
Constellation Brands 'A'	USD	4,160	712	0.09
Continental Resources	USD	2,360	108	0.01
Cooper	USD	1,260	245	0.03
Copart	USD	5,430	208	0.03
Corning	USD	20,970	511	0.06
CoStar Group	USD	930	274	0.03
Costco Wholesale	USD	11,502	1,981	0.25
Coty 'A'	USD	12,720	106	0.01
Crown Castle International, REIT	USD	10,880	866	0.11
CSX	USD	21,490	1,145	0.14
Cummins	USD	4,040	445	0.06
CVS Health	USD	26,750	1,512	0.19
Danaher	USD	16,260	1,275	0.16
Darden Restaurants	USD	3,270	265	0.03
DaVita	USD	3,410	178	0.02
Deere	USD	8,510	958	0.12

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Dell Technologies 'V'	USD	5,233	375	0.05
Delta Air Lines	USD	4,550	180	0.02
DENTSPLY SIRONA	USD	5,740	156	0.02
Devon Energy	USD	13,260	369	0.05
Diamondback Energy	USD	2,590	248	0.03
Digital Realty Trust, REIT	USD	5,440	444	0.06
Discover Financial Services	USD	8,980	508	0.06
Discovery Communications 'A'	USD	4,173	101	0.01
Discovery Communications 'C'	USD	9,209	203	0.03
DISH Network 'A'	USD	5,760	144	0.02
Dollar General	USD	7,060	561	0.07
Dollar Tree	USD	6,144	378	0.05
Dominion Energy	USD	17,126	928	0.12
Domino's Pizza	USD	1,100	231	0.03
Dover	USD	3,750	234	0.03
DowDuPont	USD	61,147	2,768	0.34
DR Horton	USD	9,090	259	0.03
DTE Energy	USD	4,835	404	0.05
Duke Energy	USD	18,757	1,138	0.14
Duke Realty, REIT	USD	9,380	191	0.02
Dun & Bradstreet	USD	990	107	0.01
DXC Technology	USD	7,383	491	0.06
E*TRADE Financial	USD	6,860	259	0.03
Eastman Chemical	USD	3,720	233	0.03
eBay	USD	24,550	591	0.07
Ecolab	USD	6,690	741	0.09
Edison International	USD	8,330	434	0.05
Edwards Lifesciences	USD	5,560	605	0.08
Electronic Arts	USD	7,980	643	0.08
Eli Lilly	USD	25,100	2,105	0.26
Emerson Electric	USD	16,500	900	0.11
Entergy	USD	4,830	298	0.04
EOG Resources	USD	15,210	1,410	0.18
EQT	USD	6,915	238	0.03
Equifax	USD	3,120	291	0.04
Equinix, REIT	USD	2,080	625	0.08
Equity Residential, REIT	USD	9,500	452	0.06
Essex Property Trust, REIT	USD	1,740	315	0.04
Estee Lauder 'A'	USD	5,720	548	0.07
Evergy	USD	7,260	306	0.04
Eversource Energy	USD	8,377	391	0.05
Exelon	USD	25,591	833	0.10
Expedia	USD	3,150	283	0.04
Expeditors International of Washington	USD	4,540	230	0.03
Express Scripts Holding	USD	14,767	1,057	0.13
Extra Space Storage, REIT	USD	3,210	207	0.03
Exxon Mobil	USD	111,617	6,892	0.86
F5 Networks	USD	1,590	202	0.03
Facebook 'A'	USD	62,650	7,310	0.91
Fastenal	USD	7,590	300	0.04
Federal Realty Investment Trust, REIT	USD	1,960	176	0.02
FedEx	USD	6,510	1,092	0.14
Fidelity National Financial	USD	6,880	183	0.02
Fidelity National Information Services	USD	8,734	679	0.08
Fifth Third Bancorp	USD	17,469	356	0.04
First Horizon National^	USD	91,087	–	–
First Republic Bank	USD	4,200	297	0.04
FirstEnergy	USD	12,745	360	0.04
Fiserv	USD	10,730	628	0.08
FleetCor Technologies	USD	2,320	367	0.05
Flowserve	USD	3,520	134	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Fluor	USD	3,775	134	0.02
FMC	USD	3,500	225	0.03
Foot Locker	USD	3,160	119	0.01
Ford Motor	USD	103,484	679	0.08
Fortive	USD	7,775	467	0.06
Fortune Brands Home & Security	USD	3,715	134	0.02
Franklin Resources	USD	8,120	176	0.02
Freeport-McMoRan	USD	38,257	370	0.05
Gap	USD	5,890	119	0.01
Garrett Motion	USD	1,996	23	–
Gartner	USD	2,340	264	0.03
General Dynamics	USD	5,280	769	0.10
General Electric	USD	226,966	2,117	0.26
General Mills	USD	15,550	508	0.06
General Motors	USD	34,420	830	0.10
Gentex	USD	7,030	101	0.01
Genuine Parts	USD	3,820	275	0.03
Gilead Sciences	USD	34,070	1,902	0.24
Global Payments	USD	4,200	374	0.05
GoDaddy 'A'	USD	4,290	246	0.03
Goldman Sachs Group	USD	9,310	1,510	0.19
Goodyear Tire & Rubber	USD	6,430	100	0.01
H&R Block	USD	5,570	109	0.01
Halliburton	USD	22,930	689	0.09
Hanesbrands	USD	9,680	120	0.02
Harley-Davidson	USD	4,480	139	0.02
Harris	USD	3,100	364	0.05
Hartford Financial Services Group	USD	9,640	342	0.04
Hasbro	USD	3,100	231	0.03
HCA Healthcare	USD	7,280	740	0.09
HCP, REIT	USD	12,280	230	0.03
Helmerich & Payne	USD	2,860	151	0.02
Henry Schein	USD	4,000	255	0.03
Hershey	USD	3,700	290	0.04
Hess	USD	7,000	351	0.04
Hewlett Packard Enterprise	USD	39,683	464	0.06
Hilton Worldwide Holdings	USD	7,380	412	0.05
HollyFrontier	USD	4,220	213	0.03
Hologic	USD	7,080	215	0.03
Home Depot	USD	30,360	4,427	0.55
Honeywell International	USD	19,625	2,325	0.29
Hormel Foods	USD	7,080	213	0.03
Hospitality Properties Trust, REIT	USD	4,450	89	0.01
Host Hotels & Resorts, REIT	USD	19,142	279	0.03
HP	USD	42,353	761	0.09
Humana	USD	3,620	874	0.11
Huntington Bancshares	USD	28,657	312	0.04
Huntington Ingalls Industries	USD	1,120	192	0.02
IAC/InterActiveCorp	USD	1,970	301	0.04
IDEXX Laboratories	USD	2,270	383	0.05
Illinois Tool Works	USD	8,816	874	0.11
Illumina	USD	3,860	942	0.12
Incyte	USD	4,580	217	0.03
Ingredion	USD	1,850	141	0.02
Intel	USD	121,600	4,140	0.51
Intercontinental Exchange	USD	15,010	835	0.10
International Business Machines	USD	24,195	2,586	0.32
International Flavors & Fragrances	USD	2,350	233	0.03
International Flavors & Fragrances	ILS	263	26	–
International Paper	USD	10,805	350	0.04
Interpublic Group	USD	9,990	162	0.02

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Intuit	USD	6,415	1,031	0.13
Intuitive Surgical	USD	2,950	1,191	0.15
Invitation Homes, REIT	USD	8,000	128	0.02
IPG Photonics	USD	960	100	0.01
IQVIA Holdings	USD	4,312	408	0.05
Iron Mountain, REIT	USD	7,629	183	0.02
Jabil	USD	4,520	81	0.01
Jacobs Engineering Group	USD	3,480	190	0.02
JB Hunt Transport Services	USD	2,290	190	0.02
Jefferies Financial Services	USD	7,860	123	0.02
JM Smucker	USD	2,940	230	0.03
Johnson & Johnson	USD	70,732	7,182	0.89
JPMorgan Chase	USD	88,114	7,146	0.89
Juniper Networks	USD	8,975	186	0.02
Kansas City Southern	USD	2,670	208	0.03
Kellogg	USD	6,560	338	0.04
Keurig Dr Pepper	USD	4,850	85	0.01
KeyCorp	USD	27,950	396	0.05
Keysight Technologies	USD	4,879	230	0.03
Kimberly-Clark	USD	9,152	758	0.09
Kimco Realty, REIT	USD	10,930	123	0.02
Kinder Morgan	USD	50,297	668	0.08
KLA-Tencor	USD	4,080	289	0.04
Kohl's	USD	4,360	240	0.03
Kraft Heinz	USD	15,978	658	0.08
Kroger	USD	20,360	416	0.05
L Brands	USD	6,248	149	0.02
L3 Technologies	USD	2,080	309	0.04
Laboratory Corp. of America Holdings	USD	2,700	348	0.04
Lam Research	USD	4,125	449	0.06
Lamb Weston Holdings	USD	3,819	211	0.03
Las Vegas Sands	USD	9,450	403	0.05
Lear	USD	1,720	175	0.02
Leggett & Platt	USD	3,540	105	0.01
Lennar 'A'	USD	7,630	250	0.03
Liberty Broadband 'A'	USD	701	42	0.01
Liberty Broadband 'C'	USD	2,706	164	0.02
Liberty Media Corp-Liberty SiriusXM 'A'	USD	2,285	71	0.01
Liberty Media Corp-Liberty SiriusXM 'C'	USD	4,340	136	0.02
Liberty Property Trust, REIT	USD	3,820	116	0.01
Lincoln National	USD	5,762	281	0.03
LKQ	USD	8,400	182	0.02
Lockheed Martin	USD	5,501	1,367	0.17
Loews	USD	7,578	269	0.03
Lowe's	USD	21,490	1,718	0.21
Lululemon Athletica	USD	2,590	282	0.04
M&T Bank	USD	3,840	462	0.06
Macerich, REIT	USD	3,664	138	0.02
Macy's	USD	8,236	209	0.03
ManpowerGroup	USD	1,770	101	0.01
Marathon Oil	USD	22,279	347	0.04
Marathon Petroleum	USD	17,627	1,071	0.13
Markel	USD	360	309	0.04
Marriott International 'A'	USD	7,619	679	0.08
Marriott International 'A' ^	USD	92,449	–	–
Marsh & McLennan	USD	13,330	805	0.10
Martin Marietta Materials	USD	1,640	211	0.03
Masco	USD	8,070	198	0.02
Mastercard 'A'	USD	24,200	3,746	0.46
Mattel	USD	9,222	100	0.01
Maxim Integrated Products	USD	7,270	286	0.04

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
McCormick, (Non-Voting) 'G'	USD	3,210	324	0.04
McDonald's	USD	20,450	2,543	0.32
McKesson	USD	5,226	519	0.06
MDU Resources Group	USD	5,220	100	0.01
MercadoLibre	USD	1,050	242	0.03
Merck	USD	70,113	3,713	0.46
MetLife	USD	22,200	738	0.09
Mettler-Toledo International	USD	660	279	0.03
MGM Resorts International	USD	13,230	266	0.03
Microchip Technology	USD	6,020	312	0.04
Micron Technology	USD	30,430	981	0.12
Microsoft	USD	199,720	16,605	2.06
Mid-America Apartment Communities, REIT	USD	2,960	213	0.03
Mohawk Industries	USD	1,620	192	0.02
Molson Coors Brewing 'B'	USD	4,564	205	0.03
Mondelez International 'A'	USD	38,096	1,189	0.15
Monster Beverage	USD	10,480	424	0.05
Moody's	USD	4,370	517	0.06
Morgan Stanley	USD	34,660	1,143	0.14
Mosaic	USD	9,160	229	0.03
Motorola Solutions	USD	4,285	391	0.05
MSCI	USD	2,300	269	0.03
Murphy Oil	USD	4,370	119	0.01
Nasdaq	USD	3,040	185	0.02
National Oilwell Varco	USD	10,000	318	0.04
NetApp	USD	6,925	404	0.05
Netflix	USD	10,970	2,827	0.35
New York Community Bancorp	USD	12,923	96	0.01
Newell Brands	USD	11,526	153	0.02
Newfield Exploration	USD	5,445	104	0.01
Newmont Mining	USD	14,079	342	0.04
News 'A'	USD	10,110	98	0.01
News 'B'	USD	3,358	34	–
NextEra Energy	USD	12,395	1,593	0.20
NIKE 'B'	USD	33,030	1,902	0.24
NiSource	USD	9,432	174	0.02
Noble Energy	USD	12,550	301	0.04
Nordstrom	USD	3,190	149	0.02
Norfolk Southern	USD	7,420	958	0.12
Northern Trust	USD	5,600	421	0.05
Northrop Grumman	USD	4,262	977	0.12
NRG Energy	USD	7,980	220	0.03
Nuance Communications	USD	7,350	94	0.01
Nucor	USD	8,330	385	0.05
NVIDIA	USD	15,330	2,868	0.36
NVR	USD	80	136	0.02
Occidental Petroleum	USD	20,155	1,176	0.15
Old Dominion Freight Line	USD	1,730	179	0.02
Old Republic International	USD	7,687	118	0.01
Omnicom Group	USD	5,880	306	0.04
ONEOK	USD	10,850	535	0.07
Oracle	USD	73,789	2,653	0.33
O'Reilly Automotive	USD	2,090	538	0.07
PACCAR	USD	9,085	428	0.05
Packaging Corp. of America	USD	2,510	168	0.02
Palo Alto Networks	USD	2,370	381	0.05
Park Hotels & Resorts, REIT	USD	5,474	122	0.02
Parker-Hannifin	USD	3,472	441	0.05
Paychex	USD	8,415	436	0.05
PayPal Holdings	USD	31,270	1,876	0.23
People's United Financial	USD	9,255	113	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
PepsiCo	USD	37,309	2,981	0.37
Perspecta	USD	3,816	72	0.01
Pfizer	USD	152,846	5,079	0.63
PG&E	USD	13,560	486	0.06
Philip Morris International	USD	40,900	2,553	0.32
Phillips 66	USD	11,051	918	0.11
Pinnacle West Capital	USD	2,930	181	0.02
Pioneer Natural Resources	USD	4,485	591	0.07
PNC Financial Services Group	USD	12,209	1,151	0.14
Polaris Industries	USD	1,600	113	0.01
PPG Industries	USD	6,340	458	0.06
PPL	USD	18,355	421	0.05
Praxair	USD	7,550	895	0.11
Principal Financial Group	USD	7,550	316	0.04
Procter & Gamble	USD	65,612	3,936	0.49
Progressive	USD	15,230	773	0.10
Prologis, REIT	USD	16,447	781	0.10
Prudential Financial	USD	11,030	818	0.10
PTC	USD	3,130	225	0.03
Public Service Enterprise Group	USD	13,240	540	0.07
Public Storage, REIT	USD	3,890	581	0.07
PulteGroup	USD	6,710	117	0.01
PVH	USD	2,060	197	0.02
Qorvo	USD	3,400	187	0.02
QUALCOMM	USD	39,030	1,904	0.24
Quest Diagnostics	USD	3,580	272	0.03
Qurate Retail 'A'	USD	11,186	179	0.02
Ralph Lauren	USD	1,420	131	0.02
Range Resources	USD	5,680	72	0.01
Raymond James Financial	USD	3,520	235	0.03
Raytheon	USD	8,357	1,215	0.15
Realty Income, REIT	USD	7,600	322	0.04
Red Hat	USD	4,640	431	0.05
Regency Centers, REIT	USD	4,060	190	0.02
Regeneron Pharmaceuticals	USD	2,090	609	0.08
Regions Financial	USD	28,924	380	0.05
Republic Services	USD	5,750	308	0.04
ResMed	USD	3,670	287	0.04
Robert Half International	USD	3,240	157	0.02
Rockwell Automation	USD	3,220	422	0.05
Rockwell Collins	USD	4,312	439	0.05
Rollins	USD	2,590	110	0.01
Roper Technologies	USD	2,660	564	0.07
Ross Stores	USD	9,730	708	0.09
S&P Global	USD	6,600	934	0.12
salesforce.com	USD	18,570	2,067	0.26
Santander Consumer USA Holdings	USD	3,070	44	0.01
SBA Communications, REIT	USD	3,010	337	0.04
SCANA	USD	3,870	115	0.01
Sealed Air	USD	4,302	114	0.01
SEI Investments	USD	3,370	141	0.02
Sempra Energy	USD	7,254	633	0.08
ServiceNow	USD	4,640	649	0.08
Sherwin-Williams	USD	2,190	676	0.08
Simon Property Group, REIT	USD	8,097	1,052	0.13
Sirius XM Holdings	USD	34,470	162	0.02
Skyworks Solutions	USD	4,720	312	0.04
SL Green Realty, REIT	USD	2,170	148	0.02
Snap-on	USD	1,460	187	0.02
Southern	USD	26,865	888	0.11
Southern Copper	USD	2,241	71	0.01

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Southwest Airlines	USD	3,772	164	0.02
Splunk	USD	3,870	304	0.04
Sprint	USD	17,086	83	0.01
Square 'A'	USD	7,500	421	0.05
SS&C Technologies Holdings	USD	5,530	215	0.03
Stanley Black & Decker	USD	4,087	403	0.05
Starbucks	USD	34,560	1,480	0.18
State Street	USD	9,949	615	0.08
Steel Dynamics	USD	6,060	195	0.02
Stericycle	USD	2,280	91	0.01
Stryker	USD	8,980	1,165	0.14
SunTrust Banks	USD	12,191	577	0.07
SVB Financial Group	USD	1,400	308	0.04
Symantec	USD	16,165	240	0.03
Synchrony Financial	USD	19,626	444	0.06
Synopsys	USD	3,950	264	0.03
Sysco	USD	12,630	660	0.08
T Rowe Price Group	USD	6,250	475	0.06
Take-Two Interactive Software	USD	2,980	292	0.04
Tapestry	USD	7,600	253	0.03
Targa Resources	USD	5,870	247	0.03
Target	USD	14,100	905	0.11
TD Ameritrade Holding	USD	7,440	285	0.04
Teleflex	USD	1,220	230	0.03
Tesla	USD	3,590	705	0.09
Texas Instruments	USD	25,790	1,979	0.25
Textron	USD	4,870	240	0.03
Thermo Fisher Scientific	USD	10,550	1,852	0.23
Tiffany	USD	3,300	283	0.04
TJX	USD	16,500	1,370	0.17
T-Mobile US	USD	8,080	419	0.05
Toll Brothers	USD	3,790	90	0.01
Torchmark	USD	2,847	181	0.02
Total System Services	USD	4,712	336	0.04
Tractor Supply	USD	3,180	209	0.03
TransDigm Group	USD	1,290	317	0.04
TransUnion	USD	4,800	251	0.03
Travelers	USD	7,232	678	0.08
Trimble	USD	6,490	191	0.02
TripAdvisor	USD	2,810	97	0.01
Twenty-First Century Fox 'A'	USD	27,430	944	0.12
Twenty-First Century Fox 'B'	USD	12,812	437	0.05
Twitter	USD	18,710	397	0.05
Tyson Foods 'A'	USD	7,610	348	0.04
UDR, REIT	USD	6,920	200	0.02
Ulta Beauty	USD	1,510	316	0.04
Under Armour 'A'	USD	4,940	70	0.01
Under Armour 'C'	USD	5,144	67	0.01
Union Pacific	USD	19,474	2,255	0.28
United Continental Holdings	USD	1,870	114	0.01
United Parcel Service 'B'	USD	18,180	1,595	0.20
United Rentals	USD	2,180	228	0.03
United Technologies	USD	21,866	2,150	0.27
UnitedHealth Group	USD	25,184	4,958	0.62
Universal Health Services 'B'	USD	2,200	205	0.03
Unum Group	USD	5,536	157	0.02
US Bancorp	USD	40,461	1,559	0.19

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 57.89% (53.86%) (continued)				
Vail Resorts	USD	1,070	200	0.02
Valero Energy	USD	11,318	930	0.12
Varian Medical Systems	USD	2,460	197	0.02
Ventas, REIT	USD	9,320	377	0.05
Veoneer	USD	2,350	77	0.01
VEREIT, REIT	USD	26,110	138	0.02
VeriSign	USD	2,755	301	0.04
Verisk Analytics	USD	4,200	366	0.05
Verizon Communications	USD	108,974	4,441	0.55
Vertex Pharmaceuticals	USD	6,700	922	0.11
VF	USD	8,490	563	0.07
Viacom 'B'	USD	9,306	222	0.03
Visa 'A'	USD	47,100	5,005	0.62
Vistra Energy	USD	10,980	202	0.03
VMware 'A'	USD	1,850	207	0.03
Vornado Realty Trust, REIT	USD	4,501	230	0.03
Voya Financial	USD	4,210	152	0.02
Vulcan Materials	USD	3,430	263	0.03
Wabtec	USD	2,230	161	0.02
Walgreens Boots Alliance	USD	22,260	1,241	0.15
Walmart	USD	37,570	2,703	0.34
Walt Disney	USD	39,270	3,355	0.42
Waste Management	USD	11,325	761	0.09
Waters	USD	2,020	279	0.03
WEC Energy Group	USD	8,350	428	0.05
WellCare Health Plans	USD	1,300	304	0.04
Wells Fargo	USD	114,358	4,523	0.56
Welltower, REIT	USD	9,760	456	0.06
Western Digital	USD	7,921	327	0.04
Western Union	USD	11,740	160	0.02
Westlake Chemical	USD	980	60	0.01
WestRock	USD	6,784	219	0.03
Weyerhaeuser, REIT	USD	20,038	427	0.05
Whirlpool	USD	1,600	126	0.02
Williams	USD	32,220	652	0.08
Worldpay	USD	7,930	571	0.07
Workday 'A'	USD	3,800	370	0.05
WR Berkley	USD	2,590	145	0.02
WW Grainger	USD	1,200	284	0.04
Wyndham Hotels & Resorts	USD	2,527	97	0.01
Wyndham Destinations	USD	2,707	75	0.01
Wynn Resorts	USD	2,750	243	0.03
Xcel Energy	USD	13,340	482	0.06
Xerox	USD	6,012	115	0.01
Xilinx	USD	6,670	385	0.05
XPO Logistics	USD	3,350	253	0.03
Xylem	USD	4,685	248	0.03
Yum China Holdings	USD	9,280	232	0.03
Yum! Brands	USD	8,410	562	0.07
Zillow Group	USD	1,490	43	0.01
Zillow Group 'C'	USD	3,240	95	0.01
Zimmer Biomet Holdings	USD	5,388	504	0.06
Zions Bancorp	USD	5,050	185	0.02
Zoetis	USD	12,730	859	0.11
			466,654	57.89

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Virgin Islands, British 0.02% (0.02%)				
Michael Kors Holdings	USD	3,690	178	0.02
			178	0.02
Equities total			**795,493**	**98.68**
Liquidity Funds 0.89% (0.00%)				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†	GBP	7,200,000	7,200	0.89
Liquidity Funds total			**7,200**	**0.89**
Investment assets			802,693	99.57
Net other assets			3,461	0.43
Net assets			**806,154**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
^ Unlisted, suspended or delisted security.
† A related party to the Fund.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital gains	2		18,471		76,828
Revenue	3	19,554		17,835	
Expenses	4	(2,520)		(2,138)	
Net revenue before taxation		17,034		15,697	
Taxation	5	(2,461)		(2,212)	
Net revenue after taxation			14,573		13,485
Total return before distributions			**33,044**		**90,313**
Distributions	6		(14,573)		(13,486)
Change in net assets attributable to shareholders from investment activities			**18,471**		**76,827**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**827,826**		**647,367**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	96,438		177,670	
Amounts payable on cancellation of shares	(150,829)		(87,735)	
		(54,391)		89,935
Dilution adjustment		–		54
Change in net assets attributable to shareholders from investment activities (see above)		18,471		76,827
Retained distribution on accumulation shares		14,248		13,643
Closing net assets attributable to shareholders		**806,154**		**827,826**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	802,693	815,728
Current assets:			
Debtors	8	5,256	2,149
Cash and bank balances	9	8,430	11,019
Total assets		**816,379**	**828,896**
Liabilities:			
Creditors:			
Other creditors	10	(10,225)	(1,070)
Total liabilities		**(10,225)**	**(1,070)**
Net assets attributable to shareholders		**806,154**	**827,826**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital gains on investments during the year comprise:	–	–
Currency losses	(84)	(7)
Expenses relating to the purchase and sale of investments	(116)	(161)
Forward currency contracts gains/(losses)	4	(7)
Non-derivative securities gains	18,667	77,003
Net capital gains	**18,471**	**76,828**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	98	4
Interest on debt securities	8	6
Overseas dividends	19,394	17,737
Scrip dividends	25	59
UK dividends	29	29
Total revenue	**19,554**	**17,835**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	2,279	1,779
	2,279	1,779
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	45	69
Dividend collection charges	5	8
Interest payable	4	2
Safe custody fee	83	113
	137	192
Other expenses:		
Audit fee**	7	11
FTSE® Index Tracker Fund licence fee	74	118
Printing and postage expenses	1	4
Professional fee	14	21
Statement fee	8	13
	104	167
Total expenses	**2,520**	**2,138**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £9,601 (2017: £9,161) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Overseas tax suffered	2,461	2,212
Total current tax (see note 5b)	**2,461**	**2,212**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**17,034**	**15,697**
Corporation tax at 20%	3,407	3,139
Effects of:		
Movement in excess management expenses	338	286
Overseas dividends not subject to corporation tax	(3,717)	(3,391)
Overseas tax credit	(23)	(15)
Overseas tax suffered	2,461	2,212
Revenue taxable in different periods	6	(3)
Stock dividends not subject to corporation tax	(5)	(10)
UK dividends not subject to corporation tax	(6)	(6)
	(946)	(927)
Current tax charge (see note 5a)	**2,461**	**2,212**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £13,574,748 (2017: £11,882,305) creating a potential deferred tax asset of £2,714,950 (2017: £2,376,461). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distributions	6,214	5,999
Final distributions	8,034	7,643
	14,248	13,642
Add: Revenue deducted on cancellation of shares	668	418
Deduct: Revenue received on issue of shares	(343)	(574)
Total distributions	**14,573**	**13,486**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	14,573	13,486
Professional fees borne by the capital account	–	(1)
Net revenue after taxation	**14,573**	**13,485**

Details of the distributions per share are set out in the distribution tables on page 329.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	795,493	815,728
Level 2: Observable market data	7,200	–
Total value	**802,693**	**815,728**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	1,147	1,114
Amounts receivable on issue of shares	2,305	709
Overseas tax recoverable	446	326
Sales awaiting settlement	1,358	–
Total debtors	**5,256**	**2,149**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	8,430	11,019
Total cash and bank balances	**8,430**	**11,019**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	283	442
Amounts payable for cancellation of shares	9,942	570
Purchases awaiting settlement	–	58
Total other creditors	**10,225**	**1,070**

11 Contingent liabilities and commitments

The contingent liabilities and commitments at the year end date are as follows:

	As at 15.10.18 £000	As at 15.10.17 £000
CapitaLand Commercial Trust, REIT Rights 19/10/2017	–	7
Nufarm Rights	3	–
Total contingent liabilities	**3**	**7**

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £282,562 (2017: £220,831). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £6,418,389 (2017: £6,392,920). The amount outstanding at the year end was £3,642,177 (2017: £3,404,432). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £98,600,000 (2017: £79,900,000) and £91,4000,000 (2017: £80,800,000) respectively. The income received during the year amounted to £7,776 (2017: £5,908).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Accumulation shares)	50,163	(2,986,333)	3,036,496
ACD and related parties (Class 2 Accumulation shares)	2,413,436	1,002,604	1,410,832
ACD and related parties (Class 3 Accumulation shares)	101,581,795	(3,830,851)	105,412,646

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 and Class 5 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The Fund Management Fee is as follows:

Class 1: 0.56%
Class 2: 0.31%
Class 3: 0.31%
Class 5: 0.25%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on page 275. The distributions per share are given in the distribution tables on page 329. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 5 Income shares	–	1,000	–	–	1,000
Class 1 Accumulation shares	39,033,832	42,134,368	(44,237,073)	(190,803)	36,740,324
Class 2 Accumulation shares	233,402,009	8,985,621	(29,772,364)	178,140	212,793,406
Class 3 Accumulation shares	105,412,646	2,837,622	(6,340,677)	–	101,909,591

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 99.16% (2017: 98.80%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.92% (2017: 9.88%).

	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
Currency	15.10.18	15.10.17	15.10.18	15.10.17	15.10.18	15.10.17
Australian dollar	71	73	19,281	21,916	19,352	21,989
Brazilian real	78	14	5,826	6,251	5,904	6,265
Canadian dollar	83	66	23,580	25,935	23,663	26,001
Czech koruna	2	4	200	165	202	169
Danish krone	149	40	4,491	5,519	4,640	5,559
Euro	464	297	87,703	100,904	88,167	101,201
Hong Kong dollar	27	20	9,629	11,317	9,656	11,337
Hungarian forint	15	6	325	411	340	417
Indonesian rupiah	1	1	–	–	1	1
Israeli new shekels	29	11	1,343	1,204	1,372	1,215
Japanese yen	1,382	554	74,196	77,322	75,578	77,876
Malaysian ringgit	21	14	2,815	2,839	2,836	2,853
Mexican peso	50	10	3,263	3,463	3,313	3,473
New Zealand dollar	26	29	721	721	747	750
Norwegian krone	58	16	2,192	2,096	2,250	2,112
Polish zloty	36	12	971	1,519	1,007	1,531
Singapore dollar	71	59	3,389	3,927	3,460	3,986
South African rand	64	35	6,169	7,517	6,233	7,552
South Korean won	83	8	10,152	11,298	10,235	11,306
Swedish krona	13	5	7,805	9,189	7,818	9,194
Swiss franc	10	25	22,582	25,694	22,592	25,719
Taiwan dollar	136	174	7,594	7,993	7,730	8,167
Thailand baht	29	–	3,231	3,227	3,260	3,227
Turkish lira	25	7	675	1,118	700	1,125
US dollar	944	684	497,360	484,183	498,304	484,867

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 1.94% (15.10.17: 1.33%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The interest rate risk is not considered significant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Derivatives and other financial instruments (continued)

Market price risk

At the year end date, 99.57% (15.10.17: 98.54%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.96% (2017: 9.85%).

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(58,045)	(13)	(14)	(58,072)	0.02%	0.02%
Funds	(98,600)	–	–	(98,600)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(200)	–	–	(200)	0.00%	0.00%
	(156,845)	(13)	(14)	(156,872)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	188,309	(26)	(8)	188,275	0.01%	0.00%
Funds	100	–	–	100	0.00%	0.00%
Sales (include Corporate Action activity only)						
Equities	–	–	–	–	0.00%	0.00%
	188,409	(26)	(8)	188,375		
Total		(39)	(22)			
Percentage of Fund average net assets		0.01%	0.00%			

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(139,264)	(39)	(28)	(139,331)	0.03%	0.02%
Funds	(79,900)	–	–	(79,900)	0.00%	0.00%
Purchases (include Corporate Action activity only)						
Equities	(872)	–	–	(872)	0.00%	0.00%
	(220,036)	(39)	(28)	(220,103)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	36,226	(5)	(3)	36,218	0.01%	0.01%
Funds	80,800	–	–	80,800	0.00%	0.00%
	117,026	(5)	(3)	117,018		
Total		(44)	(31)			
Percentage of Fund average net assets		0.01%	0.00%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.06% (2017: 0.06%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 5 Income shares	Group 1	0.3380	–	0.3380	–
	Group 2	0.3380	0.0000	0.3380	–

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	1.4527	–	1.4527	1.2148
	Group 2	0.5934	0.8593	1.4527	1.2148
Class 2 Accumulation shares	Group 1	1.8286	–	1.8286	1.6386
	Group 2	0.6939	1.1347	1.8286	1.6386
Class 3 Accumulation shares	Group 1	3.5413	–	3.5413	3.1727
	Group 2	1.4798	2.0615	3.5413	3.1727

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

Interim distribution paid in pence per share for the six months ended 15 April 2018

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	0.9509	–	0.9509	0.9549
	Group 2	0.5694	0.3815	0.9509	0.9549
Class 2 Accumulation shares	Group 1	1.3709	–	1.3709	1.3376
	Group 2	0.9944	0.3765	1.3709	1.3376
Class 3 Accumulation shares	Group 1	2.6547	–	2.6547	2.5896
	Group 2	1.7213	0.9334	2.6547	2.5896

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

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

The Fund aims to achieve the investment objective by investing 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.

FUND MANAGER'S REPORT

Performance
Over the twelve months ended 15 October 2018, the Fund (share class 1) net of fees, delivered a total return of 3.52 per cent. The Fund's benchmark, the MSCI World index, returned 5.11 per cent. The sector average return generated by the Fund's peer group, the Investment Association's Global Equity Income sector was -1.54 per cent.

Review
A combination of an improving global economic outlook, low inflation and supportive central bank policies have underpinned global equity markets worldwide over the last twelve months.

US equities have outperformed international indices by a substantial margin. The rally has been led by the consumer discretionary sectors and technology stocks, which have generally exhibited strong earnings momentum. Healthcare providers have also outperformed the broader market, while basic materials, consumer staples and real estate have lagged the index. As the year progressed, investors focused on the prospect of corporation tax cuts with Congress passing the Trump administration's tax reforms in December. The prevailing mood of optimism and accelerating economic growth, with gross domestic product (GDP) recording its fastest rate of growth in almost four years during the second quarter of 2018, enabled the equity market to take higher US interest rates in its stride, although the opening months of 2018 heralded a spike in volatility as the US-China trade dispute escalated.

In contrast, the UK equity market struggled to make progress over the last year. The market has faced the macroeconomic headwinds of global monetary tightening, especially in the US, and escalating global trade tensions most notably between the US and China, together with Brexit implications which are quite UK specific. The UK voted in June 2016 to leave the EU and progress on withdrawal negotiations since then has been slow with many stumbling blocks. The Brexit cut-off date is the 29th March 2019 and with five months to go it is still hard to forecast what will be in place by this date. Such uncertainty is preoccupying investors, as well as companies and consumers.

Returns from European equities have been disappointing in comparison with other developed markets. Although earnings growth and the economic background have been supportive, political concerns have resurfaced in recent months, most notably in Italy. The new coalition government comprising the populist Five Star Movement and the Northern League is potentially on a collision course with the European Central Bank over its spending plans, which threaten to breach the latter's fiscal deficit limits. Elsewhere, a diplomatic row between Turkey and the US led to the latter tightening trade sanctions with the lira depreciating sharply. As a result, renewed fears of contagion risk drove down financial stocks, notably banks.

Having performed well in late 2017 amid ongoing confidence in the global economic outlook, Asia Pacific equities subsequently struggled amid escalating trade tensions and concerns over the effect of higher US interest rates. Over the period, Asia Pacific equities underperformed compared to global indices but outperformed relative to emerging markets. Japanese equities performed well as solid corporate earnings reassured investors, offsetting trade-related uncertainties and a surprising contraction in the domestic economy during the first quarter of 2018.

Emerging market equities struggled over the 12 months amid a reduction in investors' risk appetite, significantly underperforming global equities. The effects of steadily rising US interest rates, fears over the risk of a global trade war and some domestic political and economic factors weighed on investor sentiment towards markets regarded as higher risk. Although Asian emerging market equities gained ground, Latin American markets fell. Following Argentina's IMF bailout request, economic and political concerns heightened in Brazil.

Over the year under review, the technology sector outperformed global indices by a substantial margin driven largely by robust earnings growth from major US stocks. However, the performance of the fund's technology holdings was mixed, with positive contributions from Microsoft and Cisco Systems offset by disappointing performance from both Applied Materials and Broadcom.

Microsoft remains one of fund's highest conviction holdings. The stock has performed exceptionally well as the company continues its transition away from traditional PCs and into cloud computing. Revenues for the Azure cloud business, which allows clients to run applications in their data centres, have grown rapidly in recent quarters. In addition, Microsoft is gaining further traction for its Office 365 suite of products, which provides the company with an attractive recurring revenue stream. The PC division that includes Windows is still Microsoft's biggest business, and is benefiting from a rebound in the PC market after years of contraction. The corporate IT spending environment remains robust in the US and Cisco Systems has demonstrated its ability to pivot away from networking hardware, which has become increasingly commoditized, towards more lucrative software products. The key with this transition is that the software element tends to be more recurring in nature. Subscriptions now account for over half of software sales and almost a third of Cisco's revenues as a whole are recurring. The company continue to build its security business, which has helped drive margin expansion.

Semiconductor stocks were dragged down by escalating trade tensions between US and China, which impacted our holdings in Applied Materials, Broadcom and Texas Instruments. Whilst acknowledging these stocks will remain volatile in the short-term as trade tensions remain elevated, we still view them favourably as beneficiaries of secular growth in areas such as factory automation, data centres and electric/autonomous vehicles. However, recent weakness in memory spending, together with concerns over foundry spending as Taiwan Semiconductor cut their capex spending for 2018 by $1.5bn, led us to reduce our exposure to Applied Materials towards the end of year under review.

AVIVA INVESTORS GLOBAL EQUITY INCOME FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Our holding in Broadcom weakened earlier this year after the company announced it was acquiring software maker CA Technologies. However, management lifted their margin guidance post the announcement, and remain committed to returning half their free cash flow to shareholders. Subsequently, the shares rebounded after the company gave an upbeat sales forecast based on strong demand for data centres.

Industrials is another sector where we continue to identify investment opportunities, the key contributors being Boeing and Union Pacific. Aircraft manufacturer Boeing has been buoyed by strong demand for their planes, in particular the single-aisle 737 MAX series. With air passenger traffic numbers remaining healthy and good visibility on the order backlog, Boeing remains one of the most compelling businesses globally in terms of free cash flow generation. The company has recently raised its full-year earnings guidance after reporting better-than-expected third quarter results driven by increased defence spending under President Trump and the continuing boom in air travel. Railroad firm Union Pacific was another major positive contributor after announcing it would adopt a new strategy to speed up freight deliveries, minimising downtime for railcars. We have seen several other railroad operators adopt this strategy successfully, notably CSX and Canadian Pacific. With this renewed focus on operational efficiency, allied with robust car volumes, we believe the business is well placed to benefit from the positive momentum in the US economy. We also continue to build a position in US defence company Raytheon, adding on any weakness in the shares. In a market that has proven rather volatile this year, we view the defensive nature of their business as attractive. Allied to a healthy order backlog and strong free cash flow conversion, we see a compelling outlook for earnings and dividend growth.

Exposure to financials, particularly in Europe, was the main factor that detracted from fund performance over the year under review. Our holdings in European banks were impacted by the increased political uncertainty in Italy which meant the sector came under selling pressure. This impacted our holdings in ING Group and BNP Paribas in particular, but we remain constructive on both these banks, given their relatively limited exposure to Italy and valuations and dividends which we view as very attractive.

Exposure to healthcare companies detracted from performance overall. With pressure on legacy drugs and less visibility on the growth pipeline, we exited the position in Swiss pharmaceutical company Roche early in 2018. However, we were encouraged by the performance of our holding in medical device equipment maker Becton Dickinson. We believe the company should be able to deliver robust organic sales growth and expect cost savings from the Bard acquisition to help drive margin expansion. Like its peers, the company has seen the impact of higher raw material costs but importantly they have pricing power which should help mitigate this.

Amongst our consumer sector holdings, US home improvement retailer Home Depot continues to deliver impressive returns, benefitting from a strong domestic consumer and robust house prices. We continue to see this as one of the best managed retailers in the US, with their focus on professional customers reaping rewards.

Elsewhere, we initiated a new position in US utility company NextEra Energy. As the US energy mix continues to evolve away from traditional coal and nuclear and more towards natural gas and particularly renewables, NextEra have focused on building their wind and solar portfolio; the key driver has been the sharp reduction in costs for both these energy sources, making them much more viable.

Outlook

We remain broadly constructive on the investment outlook for global equities, but downside risks from trade tensions and other geopolitical factors makes us somewhat more cautious on the near-term outlook. Whereas global economic growth accelerated in a broad-based and synchronised way in 2017, led by a sharp improvement in global trade, domestic factors have played a more important role this year. Tax cuts have boosted household and business spending in the US, while domestic demand growth has remained robust in the Eurozone and Japan. Meanwhile growth in China and some other emerging market economies where financial conditions have tightened have slowed. As central banks remove liquidity from the financial system, fundamental weaknesses across asset classes and regions that have previously been masked by abundant liquidity are becoming more exposed. We have already begun to see some of these fragilities in certain emerging markets, notably Turkey, where reliance on external financing is comparably high.

November 2018

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

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As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 333 and 334 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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 stocks. 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 GLOBAL EQUITY INCOME FUND (CONTINUED)

Material Portfolio Changes

Purchases	Sales
Applied Materials	Koninklijke Ahold Delhaize
BNP Paribas	Danske Bank
NextEra Energy	Schlumberger
Raytheon	Applied Materials
Union Pacific	Altria Group
Becton Dickinson	AT&T
CoreSite Realty, REIT	Texas Instruments
UnitedHealth Group	Boeing
Praxair	Roche Holding
Intercontinental Exchange	Sanofi

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'.
- The value of investments will be affected by changes in exchange rates.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	139.99	130.46	108.06
Return before operating charges†	6.95	15.61	28.34
Operating charges	(2.09)	(2.21)	(1.95)
Return after operating charges†	4.86	13.40	26.39
Distributions	(3.99)	(3.87)	(3.99)
Closing net asset value per share	140.86	139.99	130.46
† after direct transaction costs of	(0.10)	(0.41)	(0.15)
Performance			
Return after charges (%)	3.47%	10.27%	24.42%
Other information			
Closing net asset value (£000)	499	426	286
Closing number of shares	354,326	304,496	218,917
Operating charges (%)‡	1.44%	1.63%	1.67%
Direct transaction costs (%)#	0.07%	0.30%	0.13%
Prices≈			
Highest share price	151.72	142.52	132.40
Lowest share price	131.65	124.06	103.81

Financial year Class 2 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	144.84	133.97	110.15
Return before operating charges†	7.22	16.10	29.00
Operating charges	(1.35)	(1.24)	(1.10)
Return after operating charges†	5.87	14.86	27.90
Distributions	(4.14)	(3.99)	(4.08)
Closing net asset value per share	146.57	144.84	133.97
† after direct transaction costs of	(0.10)	(0.42)	(0.16)
Performance			
Return after charges (%)	4.05%	11.09%	25.33%
Other information			
Closing net asset value (£000)	2,471	1,577	731
Closing number of shares	1,686,009	1,088,728	545,962
Operating charges (%)‡	0.90%	0.88%	0.92%
Direct transaction costs (%)#	0.07%	0.30%	0.13%
Prices≈			
Highest share price	157.86	147.44	135.96
Lowest share price	136.68	127.45	106.07

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	145.47	131.80	105.66
Return before operating charges†	7.29	15.93	28.06
Operating charges	(2.20)	(2.26)	(1.92)
Return after operating charges†	5.09	13.67	26.14
Distributions	(4.19)	(3.95)	(3.94)
Retained distributions on accumulation shares	4.19	3.95	3.94
Closing net asset value per share	150.56	145.47	131.80
† after direct transaction costs of	(0.11)	(0.42)	(0.15)
Performance			
Return after charges (%)	3.50%	10.37%	24.74%
Other information			
Closing net asset value (£000)	26,563	27,188	26,025
Closing number of shares	17,642,675	18,689,500	19,744,883
Operating charges (%)‡	1.44%	1.63%	1.67%
Direct transaction costs (%)#	0.07%	0.30%	0.13%
Prices≈			
Highest share price	161.14	147.27	133.06
Lowest share price	137.42	125.34	102.03

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	161.75	145.46	115.73
Return before operating charges†	8.13	17.65	30.90
Operating charges	(1.52)	(1.36)	(1.17)
Return after operating charges†	6.61	16.29	29.73
Distributions	(4.67)	(4.38)	(4.34)
Retained distributions on accumulation shares	4.67	4.38	4.34
Closing net asset value per share	168.36	161.75	145.46
† after direct transaction costs of	(0.12)	(0.46)	(0.17)
Performance			
Return after charges (%)	4.09%	11.20%	25.69%
Other information			
Closing net asset value (£000)	7,199	5,557	3,509
Closing number of shares	4,276,153	3,435,519	2,412,454
Operating charges (%)‡	0.90%	0.88%	0.92%
Direct transaction costs (%)#	0.07%	0.30%	0.13%
Prices≈			
Highest share price	180.18	163.73	146.84
Lowest share price	153.32	138.39	112.04

COMPARATIVE TABLES (CONTINUED)

Financial year Class 3 Income shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	136.78	126.06	103.28
Return before operating charges†	6.82	15.20	27.25
Operating charges	(0.63)	(0.58)	(0.53)
Return after operating charges†	6.19	14.62	26.72
Distributions	(4.00)	(3.90)	(3.94)
Closing net asset value per share	138.97	136.78	126.06
† after direct transaction costs of	(0.10)	(0.40)	(0.15)
Performance			
Return after charges (%)	4.53%	11.60%	25.87%
Other information			
Closing net asset value (£000)	171,053	198,938	301
Closing number of shares	123,088,773	145,446,690	238,643
Operating charges (%)‡	0.45%	0.44%	0.47%
Direct transaction costs (%)#	0.07%	0.30%	0.13%
Prices≈			
Highest share price	149.63	139.25	127.96
Lowest share price	129.30	119.96	99.58

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	157.89	141.36	111.88
Return before operating charges†	7.94	17.23	30.02
Operating charges	(0.77)	(0.70)	(0.54)
Return after operating charges†	7.17	16.53	29.48
Distributions	(4.69)	(4.45)	(4.37)
Retained distributions on accumulation shares	4.69	4.45	4.37
Closing net asset value per share	165.06	157.89	141.36
† after direct transaction costs of	(0.12)	(0.45)	(0.16)
Performance			
Return after charges (%)	4.54%	11.69%	26.35%
Other information			
Closing net asset value (£000)	3	3	2
Closing number of shares	1,682	1,682	1,682
Operating charges (%)‡	0.45%	0.44%	0.46%
Direct transaction costs (%)#	0.07%	0.30%	0.13%
Prices≈			
Highest share price	176.62	159.80	142.69
Lowest share price	149.96	134.52	108.50

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.17%**	1.63%
Class 2	0.92%	0.88%
Class 3	0.47%	0.44%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

** Following the update to the Prospectus and the change in charging structure of the Fund part way through the period, the ongoing charges figure has been based on the revised fee structure and therefore is not on an ex-post basis.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.48% (98.39%)				
Canada 1.87% (1.83%)				
Nortel Networks^	CAD	170	–	–
Toronto-Dominion Bank	CAD	89,698	3,884	1.87
			3,884	1.87
Curacao 0.00% (2.49%)				
Denmark 0.00% (2.96%)				
France 11.81% (9.00%)				
BNP Paribas	EUR	103,488	4,543	2.19
Orange	EUR	407,722	4,883	2.35
TOTAL	EUR	192,370	9,031	4.35
Vinci	EUR	89,602	6,077	2.92
			24,534	11.81
Germany 3.31% (6.24%)				
Deutsche Telekom	EUR	271,718	3,387	1.63
SAP	EUR	40,750	3,483	1.68
			6,870	3.31
Netherlands 6.12% (10.72%)				
ING Groep	EUR	483,176	4,602	2.21
Koninklijke Philips	EUR	142,158	4,340	2.09
LyondellBasell Industries 'A'	USD	50,993	3,774	1.82
			12,716	6.12
Singapore 0.00% (3.69%)				
Switzerland 0.00% (2.15%)				
United Kingdom 15.16% (16.24%)				
Legal & General Group	GBP	2,060,567	5,040	2.42
Prudential	GBP	329,485	5,175	2.49
RELX	GBP	244,802	3,661	1.76
Rio Tinto	GBP	122,150	4,504	2.17
Royal Dutch Shell 'B'	GBP	232,074	5,876	2.83
Unilever	GBP	184,011	7,253	3.49
			31,509	15.16

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 60.21% (43.07%)				
Amgen	USD	32,998	4,942	2.38
Apple	USD	34,913	5,885	2.83
Becton Dickinson	USD	28,210	5,195	2.50
Boeing	USD	17,692	4,831	2.32
Broadcom	USD	35,257	6,233	3.00
Cisco Systems	USD	250,673	8,693	4.18
CoreSite Realty, REIT	USD	63,366	4,833	2.33
Garrett Motion	USD	4,646	54	0.03
Home Depot	USD	56,901	8,297	3.99
Honeywell International	USD	46,460	5,504	2.65
Intercontinental Exchange	USD	74,698	4,155	2.00
JPMorgan Chase	USD	103,966	8,432	4.06
Las Vegas Sands	USD	55,970	2,384	1.15
McDonald's	USD	71,936	8,944	4.30
Microsoft	USD	87,450	7,271	3.50
NextEra Energy	USD	47,859	6,151	2.96
Pfizer	USD	202,539	6,730	3.24
Praxair	USD	37,333	4,426	2.13
Raytheon	USD	38,540	5,605	2.70
Texas Instruments	USD	81,245	6,233	3.00
Union Pacific	USD	44,238	5,122	2.46
UnitedHealth Group	USD	26,364	5,191	2.50
			125,111	60.21
Equities total			**204,624**	**98.48**
Investment assets			204,624	98.48
Net other assets			3,164	1.52
Net assets			**207,788**	**100.00**

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.
^ Unlisted, suspended or delisted security.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital gains	2		5,258		4,874
Revenue	3	7,258		3,772	
Expenses	4	(1,362)		(856)	
Net revenue before taxation		5,896		2,916	
Taxation	5	(619)		(323)	
Net revenue after taxation			5,277		2,593
Total return before distributions			**10,535**		**7,467**
Distributions	6		(6,561)		(3,374)
Change in net assets attributable to shareholders from investment activities			**3,974**		**4,093**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**233,689**		**30,854**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	10,639		200,298	
Amounts payable on cancellation of shares	(41,483)		(2,989)	
		(30,844)		197,309
Dilution adjustment		16		545
Change in net assets attributable to shareholders from investment activities (see above)		3,974		4,093
Retained distribution on accumulation shares		953		888
Closing net assets attributable to shareholders		**207,788**		**233,689**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	204,624	229,929
Current assets:			
Debtors	8	5,188	306
Cash and bank balances	9	10,229	4,827
Total assets		**220,041**	**235,062**
Liabilities:			
Creditors:			
Distribution payable		(1,097)	(1,184)
Other creditors	10	(11,156)	(189)
Total liabilities		**(12,253)**	**(1,373)**
Net assets attributable to shareholders		**207,788**	**233,689**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital gains

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital gains on investments during the year comprise:		
Currency (losses)/gains	(70)	26
Expenses relating to the purchase and sale of investments	–	(6)
Forward currency contracts gains	–	167
Non-derivative securities gains	5,328	4,687
Net capital gains	**5,258**	**4,874**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	11	–
Overseas dividends	5,746	2,955
Stock dividends	–	8
UK dividends	1,501	809
Total revenue	**7,258**	**3,772**

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	1,295	781
Registration fees	22	33
	1,317	814
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	20	16
Interest payable	1	6
Safe custody fee	17	9
	38	31
Other expenses:		
Audit fee**	7	10
Statement fees	–	1
	7	11
Total expenses	**1,362**	**856**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £8,726 (2017: £8,326) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Overseas tax suffered	619	323
Total current tax (see note 5b)	**619**	**323**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**5,896**	**2,916**
Corporation tax at 20%	1,179	583
Effects of:		
UK dividends not subject to corporation tax	(300)	(163)
Overseas dividends not subject to corporation tax	(1,121)	(574)
Stock dividends not subject to corporation tax	–	(2)
Irrecoverable overseas withholding tax	619	323
Movement in excess management expenses	246	156
Overseas tax credit	(4)	–
	(560)	(260)
Current tax charge (see note 5a)	**619**	**323**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £6,985,221 (2017: £5,754,919) creating a potential deferred tax asset of £1,397,044 (2017: £1,150,984). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Net dividend distribution for the three months ended 15 January	1,147	152
Net dividend distribution for the three months ended 15 April	1,692	1,007
Net dividend distribution for the three months ended 15 July	2,299	2,358
Net dividend distribution for the three months ended 15 October	1,310	1,368
	6,448	4,885
Add: Revenue deducted on cancellation of shares	163	12
Deduct: Revenue received on issue of shares	(50)	(1,523)
Total distributions	**6,561**	**3,374**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	6,561	3,374
ACD's periodic charge borne by the capital account	(1,295)	(781)
Tax relief on capitalised ACD's periodic charge	11	–
Net revenue after taxation	**5,277**	**2,593**

Details of the distributions per share are set out in the distribution tables on pages 345 and 346.

7 Fair value hierarchy

Valuation technique	Assets at 15.10.18 £000	Assets at 15.10.17 £000
Level 1: Quoted prices	204,624	229,929
Total value	**204,624**	**229,929**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	158	189
Amounts receivable on issue of shares	137	63
Overseas tax recoverable	98	54
Sales awaiting settlement	4,795	–
Total debtors	**5,188**	**306**

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Cash and bank balances	10,229	4,827
Total cash and bank balances	**10,229**	**4,827**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	153	169
Amounts payable for cancellation of shares	8,163	20
Purchases awaiting settlement	2,840	–
Total other creditors	**11,156**	**189**

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/ Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £152,921 (2017: £146,399). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £5,490,015 (2017: £3,976,350). The amount outstanding at the year end was £1,097,124 (2017: £1,178,079). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 2 Income shares)	595,592	490,337	105,255
ACD and related parties (Class 3 Income shares)	122,788,828	(22,657,862)	145,446,690
ACD and related parties (Class 2 Accumulation shares)	1,567,677	1,028,249	539,428
ACD and related parties (Class 3 Accumulation shares)	–	(1,682)	1,682

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has three share classes: Class 1 (Retail), Class 2 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.17%
Class 2: 0.92%
Class 3: 0.47%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 333 and 334. The distributions per share are given in the distribution tables on pages 345 and 346. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Income shares	304,496	146,510	(96,680)	–	354,326
Class 2 Income shares	1,088,728	807,820	(210,539)	–	1,686,009
Class 3 Income shares	145,446,690	3,600,162	(25,958,079)	–	123,088,773
Class 1 Accumulation shares	18,689,500	1,017,146	(1,883,085)	(180,886)	17,642,675
Class 2 Accumulation shares	3,435,519	1,522,358	(843,893)	162,169	4,276,153
Class 3 Accumulation shares	1,682	–	–	–	1,682

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 84.64% (2017: 82.38%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 8.46% (2017: 8.24%).

	Net foreign currency assets					
	Monetary exposure £000		Non-monetary exposure £000		Total £000	
Currency	15.10.18	15.10.17	15.10.18	15.10.17	15.10.18	15.10.17
Canadian dollar	30	64	3,884	4,283	3,914	4,347
Danish krone	49	71	–	6,912	49	6,983
Euro	(215)	104	40,346	53,494	40,131	53,598
Norwegian krone	5	5	–	–	5	5
Swiss franc	–	41	–	5,017	–	5,058
US dollar	2,885	263	128,885	122,268	131,770	122,531

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 4.92% (2017: 2.07%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

Market price risk

At the year end date, 98.48% (2017: 98.39%) of the net assets of the Fund were invested in ordinary shares or stock units admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.85% (2017:9.84%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(81,896)	(39)	(86)	(82,021)	0.05%	0.11%
	(81,896)	(39)	(86)	(82,021)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	112,681	(48)	(1)	112,632	0.04%	0.00%
	112,681	(48)	(1)	112,632		
Total		(87)	(87)			
Percentage of Fund average net assets		0.03%	0.04%			

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Equities	(210,173)	(29)	(315)	(210,517)	0.01%	0.15%
	(210,173)	(29)	(315)	(210,517)		
Sales (excluding Inspecie & Corporate Action activity)						
Equities	15,033	(16)	–	15,017	0.11%	0.00%
	15,033	(16)	–	15,017		
Total		(45)	(315)			
Percentage of Fund average net assets		0.04%	0.26%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.02% (2017: 0.03%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Income shares	Group 1	0.8961	–	0.8961	0.7914
	Group 2	0.3763	0.5198	0.8961	0.7914
Class 2 Income shares	Group 1	0.9322	–	0.9322	0.8183
	Group 2	0.2915	0.6407	0.9322	0.8183
Class 3 Income shares	Group 1	0.8754	–	0.8754	0.8060
	Group 2	0.2469	0.6285	0.8754	0.8060

Accumulation shares		Net revenue	Equalisation	Final distribution payable 15 December 2018	Final distribution paid 15 December 2017
Class 1 Accumulation shares	Group 1	0.9518	–	0.9518	0.8179
	Group 2	0.3769	0.5749	0.9518	0.8179
Class 2 Accumulation shares	Group 1	1.0639	–	1.0639	0.9086
	Group 2	0.5335	0.5304	1.0639	0.9086
Class 3 Accumulation shares	Group 1	1.0431	–	1.0431	0.9307
	Group 2	1.0431	0.0000	1.0431	0.9307

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 July 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 July 2018.

Interim distribution paid in pence per share for the three months ended 15 July 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Income shares	Group 1	1.4321	–	1.4321	1.4047
	Group 2	0.1838	1.2483	1.4321	1.4047
Class 2 Income shares	Group 1	1.4884	–	1.4884	1.4491
	Group 2	0.4501	1.0383	1.4884	1.4491
Class 3 Income shares	Group 1	1.4262	–	1.4262	1.4003
	Group 2	0.1803	1.2459	1.4262	1.4003

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 September 2018	Interim distribution paid 15 September 2017
Class 1 Accumulation shares	Group 1	1.5061	–	1.5061	1.4362
	Group 2	0.5109	0.9952	1.5061	1.4362
Class 2 Accumulation shares	Group 1	1.6822	–	1.6822	1.5921
	Group 2	0.6758	1.0064	1.6822	1.5921
Class 3 Accumulation shares	Group 1	1.6699	–	1.6699	1.5932
	Group 2	1.6699	0.0000	1.6699	1.5932

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 April 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 April 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 15 April 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Income shares	Group 1	1.0010	–	1.0010	1.0412
	Group 2	0.1151	0.8859	1.0010	1.0412
Class 2 Income shares	Group 1	1.0391	–	1.0391	1.0732
	Group 2	0.3955	0.6436	1.0391	1.0732
Class 3 Income shares	Group 1	1.0156	–	1.0156	1.0439
	Group 2	0.4709	0.5447	1.0156	1.0439

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 June 2018	Interim distribution paid 15 June 2017
Class 1 Accumulation shares	Group 1	1.0452	–	1.0452	1.0576
	Group 2	0.4957	0.5495	1.0452	1.0576
Class 2 Accumulation shares	Group 1	1.1656	–	1.1656	1.1706
	Group 2	0.8510	0.3146	1.1656	1.1706
Class 3 Accumulation shares	Group 1	1.1810	–	1.1810	1.1858
	Group 2	1.1810	0.0000	1.1810	1.1858

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 January 2018.
Group 2 shares are those shares purchased after 12:00 noon on 15 January 2018.

Interim distribution paid in pence per share for the three months ended 15 January 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Income shares	Group 1	0.6596	–	0.6596	0.6350
	Group 2	0.1216	0.5380	0.6596	0.6350
Class 2 Income shares	Group 1	0.6831	–	0.6831	0.6527
	Group 2	0.2766	0.4065	0.6831	0.6527
Class 3 Income shares	Group 1	0.6815	–	0.6815	0.6454
	Group 2	0.2381	0.4434	0.6815	0.6454

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 15 March 2018	Interim distribution paid 15 March 2017
Class 1 Accumulation shares	Group 1	0.6854	–	0.6854	0.6414
	Group 2	0.4911	0.1943	0.6854	0.6414
Class 2 Accumulation shares	Group 1	0.7629	–	0.7629	0.7087
	Group 2	0.3767	0.3862	0.7629	0.7087
Class 3 Accumulation shares	Group 1	0.7915	–	0.7915	0.7356
	Group 2	0.7915	0.0000	0.7915	0.7356

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS MULTI-STRATEGY TARGET RETURN FUND

INVESTMENT OBJECTIVE

To deliver a positive return over rolling three year periods regardless of the prevailing stock market environment. The Fund aims to generate a positive return, on average 5% per annum above the Bank of England Base Rate before the deduction of charges, over rolling three year periods. In seeking to target this level of return the Fund also aims to manage volatility to a target of less than half the volatility of global equities, measured over the same rolling three year periods. These aims, however, are not guaranteed and it may not always be possible to achieve positive returns or to achieve the target level of volatility over rolling three year periods, or over any period of investment. Consequently, investors' capital is at risk.

INVESTMENT POLICY

In aiming to achieve the investment objective the Fund may invest globally in any of the following financial instruments: transferable securities, money market instruments, fixed interest securities, units in collective investment schemes, derivatives, forwards and deposits.

The Fund will make significant use of derivative instruments including: futures, options, swaps, swaptions and forwards. The Fund may take both long and synthetic short positions and derivative usage may include but is not limited to derivatives on interest rates, inflation rates, bonds, credit, equity, financial indices, volatility, dividend payments and currencies. Derivatives usage may be for the purposes of hedging, efficient portfolio management, or investment purposes and may be exchange traded or traded off exchange through market counterparties. The use of derivative instruments as part of the investment policy will mean that the Fund may, from time to time, have substantial holdings in liquid assets including deposits and money market instruments.

FUND MANAGER'S REPORT

On 4 June 2018, share class 6 of this Fund was renamed as share class 1, share class 8 of this Fund was renamed as share class 3, share class 3 of this Fund was renamed as share class 5 and share class 5 of this Fund was renamed as share class 9.

Performance

Over the twelve months ended 15 October 2018, the Fund posted a total return of -0.93 per cent (share class 1) net of fees. Over the same period, the Fund's peer group, the Investment Association's Targeted Absolute Return sector, delivered a net return of -1.44 per cent.

Over the three years to 15 October 2018, the Fund generated an annualised return of -1.15%. This fell short of the Fund's objective to generate a return of 5% per annum above the Bank of England Base Rate before the deduction of charges over rolling three-year periods.

Review

Opportunistic return strategies performed well for the majority of the period. However, market-return strategies and risk-reducing strategies offset most of the gains. Within market returns, our long equity and emerging market rates strategies struggled due to the impact of rising geopolitical risks. However, our positive stance towards Japanese real estate trusts (REITs) and Mexican local currency bonds offset some of the losses sustained. While our short duration strategies in the opportunistic return segment of the Fund continued to perform well as global bond yields moved higher, some of our currency positions contributed negatively. Risk-reducing strategies performed disappointingly overall, with volatility, short UK inflation and relative value equity strategies all detracting. This negated the benefit of the Fund being short Asian currencies against a backdrop of escalating global trade tensions.

When constructing the Fund we maintain an investment horizon of three years. That means we continually monitor both existing and potential new positions to assess the expected performance over that horizon.

Over the review period we continued to align the Fund with our core views, which reflect a world of rising interest rates, continuing solid economic growth and a normalisation of inflation. We have expressed those views through various equity markets, including European mid-caps, emerging market smaller-companies and global financials, as well as through long inflation and short duration strategies.

While we are positioned for positive fundamental developments to continue, we recognise that risks are now more elevated than earlier this year. The main threat is a further escalation of trade tensions. As such, alongside a reduction in equity risk in the portfolio, we have strengthened our risk-reducing strategies to protect the Fund in times of market stress. This has included taking negative positions on corporate bonds and Asian currencies.

November 2018

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

As noted above, the performance figures in this commentary have been sourced from an external party and are based on published prices. The performance figures quoted in the comparative tables on pages 349 and 350 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

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.

Material Portfolio Changes

Purchases	Sales
US Treasury Inflation Indexed 0.38% 15/07/2027	US Treasury Inflation Indexed 0.38% 15/07/2027
US Treasury Inflation Indexed 0.91% 15/02/2047	US Treasury Inflation Indexed 0.38% 15/01/2027
Sheffield Receivables 0.30% 24/11/2017	Mexican Bonos 7.50% 03/06/2027
First Abu Dhabi Bank 0.45% 05/01/2018	Sheffield Receivables 0.30% 24/11/2017
ING Bank 0.50% 12/03/2018	First Abu Dhabi Bank 0.45% 05/01/2018
Société Générale 0.74% 31/10/2018	ING Bank 0.47% 11/12/2017
ING Bank 0.47% 11/12/2017	Sheffield Receivables 0.56% 26/02/2018
Standard Chartered Bank 0.83% 07/01/2019	ING Bank 0.50% 12/03/2018
MUFG Bank 0.82% 14/01/2019	Sheffield Receivables 0.30% 24/11/2017
Sheffield Receivables 0.56% 26/02/2018	Société Générale 0.74% 31/10/2018

AVIVA INVESTORS MULTI-STRATEGY TARGET RETURN FUND (CONTINUED)

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 higher of the historic volatility of its share price, the historic volatility of its current asset classes or its intended maximum risk levels.

- 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.
- Developing market investments can be less easy to buy and sell, and their values may be influenced by the economic and political risks of the countries of issue.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Financial year Class 1 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	107.63	107.59	108.15
Return before operating charges†	0.24	1.24	0.63
Operating charges	(1.20)	(1.20)	(1.19)
Return after operating charges†	(0.96)	0.04	(0.56)
Distributions	(0.85)	(0.55)	(0.34)
Retained distributions on accumulation shares	0.85	0.55	0.34
Closing net asset value per share	106.67	107.63	107.59
† after direct transaction costs of	(0.10)	(0.04)	(0.06)
Performance			
Return after charges (%)	(0.89)%	0.04%	(0.52)%
Other information			
Closing net asset value (£000)	1,607	2,295	2,514
Closing number of shares	1,506,945	2,132,098	2,337,096
Operating charges (%)‡	1.10%	1.10%	1.10%
Direct transaction costs (%)#	0.09%	0.04%	0.06%
Prices≈			
Highest share price	110.94	110.34	110.14
Lowest share price	106.25	105.44	106.26

Financial year Class 3 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	109.54	109.06	109.18
Return before operating charges†	0.12	1.12	0.52
Operating charges	(0.65)	(0.64)	(0.64)
Return after operating charges†	(0.53)	0.48	(0.12)
Distributions	(1.32)	(1.01)	(0.77)
Retained distributions on accumulation shares	1.32	1.01	0.77
Closing net asset value per share	109.01	109.54	109.06
† after direct transaction costs of	(0.10)	(0.04)	(0.07)
Performance			
Return after charges (%)	(0.48)%	0.44%	(0.11)%
Other information			
Closing net asset value (£000)	3,380,121	3,304,477	1,010,951
Closing number of shares	3,100,813,914	3,016,643,241	926,973,852
Operating charges (%)‡	0.59%	0.59%	0.59%
Direct transaction costs (%)#	0.09%	0.04%	0.06%
Prices≈			
Highest share price	113.05	112.14	111.33
Lowest share price	108.54	107.33	107.58

Financial year Class 2 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	108.34	108.09	108.44
Return before operating charges†	0.17	1.18	0.56
Operating charges	(0.93)	(0.93)	(0.91)
Return after operating charges†	(0.76)	0.25	(0.35)
Distributions	(1.07)	(0.77)	(0.56)
Retained distributions on accumulation shares	1.07	0.77	0.56
Closing net asset value per share	107.58	108.34	108.09
† after direct transaction costs of	(0.10)	(0.04)	(0.06)
Performance			
Return after charges (%)	(0.70)%	0.23%	(0.32)%
Other information			
Closing net asset value (£000)	619,065	918,752	889,063
Closing number of shares	575,463,620	848,053,542	822,545,446
Operating charges (%)‡	0.85%	0.85%	0.85%
Direct transaction costs (%)#	0.09%	0.04%	0.06%
Prices≈			
Highest share price	111.73	110.99	110.49
Lowest share price	107.14	106.15	106.69

Financial year Class 5 Accumulation shares	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	109.87	109.46	109.19
Return before operating charges†	0.12	1.15	0.42
Operating charges	(0.77)	(0.74)	(0.15)
Return after operating charges†	(0.65)	0.41	0.27
Distributions	(1.22)	(0.94)	(1.15)
Retained distributions on accumulation shares	1.22	0.94	1.15
Closing net asset value per share	109.22	109.87	109.46
† after direct transaction costs of	(0.10)	(0.04)	(0.07)
Performance			
Return after charges (%)	(0.59)%	0.37%	0.25%
Other information			
Closing net asset value (£000)	1,184,809	653,024	927,892
Closing number of shares	1,084,793,641	594,358,521	847,676,075
Operating charges (%)‡	0.70%	0.70%	0.13%
Direct transaction costs (%)#	0.09%	0.04%	0.06%
Prices≈			
Highest share price	113.34	112.51	111.46
Lowest share price	108.76	107.65	107.86

COMPARATIVE TABLES (CONTINUED)

Financial year Class 9 Accumulation shares	2018 p per share	2017 p per share	2016 per share
Change in net assets per share			
Opening net asset value per share	108.40	108.11	108.42
Return before operating charges†	0.16	1.16	0.55
Operating charges	(0.88)	(0.87)	(0.86)
Return after operating charges†	(0.72)	0.29	(0.31)
Distributions	(1.11)	(0.81)	(0.58)
Retained distributions on accumulation shares	1.11	0.81	0.58
Closing net asset value per share	107.68	108.40	108.11
† after direct transaction costs of	(0.10)	(0.04)	(0.07)
Performance			
Return after charges (%)	(0.66)%	0.27%	(0.29)%
Other information			
Closing net asset value (£000)	51,595	67,368	55,511
Closing number of shares	47,914,390	62,148,343	51,348,744
Operating charges (%)‡	0.80%	0.80%	0.80%
Direct transaction costs (%)#	0.09%	0.04%	0.06%
Prices≈			
Highest share price	111.81	111.04	110.49
Lowest share price	107.24	106.21	106.69

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	15.10.18	15.10.17
Class 1	1.10%	1.10%
Class 2	0.85%	0.85%
Class 3	0.59%	0.59%
Class 5	0.70%	0.70%
Class 9	0.80%	0.80%

* 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 year. The OCF is made up of the Fund Management Fee and, where a 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). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Collective Investment Schemes 0.54% (0.50%)				
Lyxor MSCI India UCITS ETF C-EUR	EUR	2,249,441	28,600	0.54
Collective Investment Schemes total			**28,600**	**0.54**
Equities 29.24% (7.04%)				
Australia 0.06% (0.00%)				
IDP Education	AUD	563,432	2,940	0.06
			2,940	0.06
Austria 0.18% (0.00%)				
OMV	EUR	107,230	4,708	0.09
Raiffeisen Bank International	EUR	101,836	2,209	0.04
voestalpine	EUR	83,820	2,670	0.05
			9,587	0.18
Belgium 0.51% (0.00%)				
Ageas	EUR	144,676	5,536	0.10
Groupe Bruxelles Lambert	EUR	60,629	4,300	0.08
Solvay	EUR	55,128	5,092	0.10
UCB	EUR	95,002	6,178	0.12
Umicore	EUR	157,388	5,747	0.11
			26,853	0.51
Bermuda 0.13% (0.15%)				
IHS Markit	USD	54,917	2,149	0.04
Man Wah Holdings	HKD	1,762,187	707	0.02
VTech Holdings	HKD	447,343	3,766	0.07
			6,622	0.13
Brazil 0.12% (0.21%)				
Grendene	BRL	2,689,535	4,164	0.08
Smiles Fidelidade	BRL	335,200	2,170	0.04
			6,334	0.12
Cayman Islands 0.50% (0.35%)				
China Maple Leaf Educational Systems	HKD	9,318,950	2,896	0.06
GDS Holdings, ADR	USD	339,213	6,879	0.13
Haitian International Holdings	HKD	3,018,397	4,508	0.09
New Century Healthcare Holding	HKD	2,577,506	1,677	0.03
Pacific Textiles Holdings	HKD	2,500,485	1,816	0.03
SSY Group	HKD	5,287,230	3,440	0.07
Texhong Textile Group	HKD	1,151,330	1,131	0.02
Value Partners Group	HKD	6,416,615	3,651	0.07
			25,998	0.50
Chile 0.07% (0.06%)				
Inversiones La Construccion	CLP	290,720	3,689	0.07
			3,689	0.07
China 0.05% (0.07%)				
Livzon Pharmaceutical Group 'H'	HKD	969,357	2,188	0.04
Shanghai Haohai Biological Technology 'H'	HKD	163,958	680	0.01
			2,868	0.05
Colombia 0.02% (0.02%)				
Almacenes Exito	COP	315,254	1,097	0.02
			1,097	0.02
Cyprus 0.07% (0.00%)				
Globaltrans Investment, GDR	USD	504,831	3,822	0.07
			3,822	0.07
Czech Republic 0.07% (0.09%)				
Moneta Money Bank	CZK	1,380,235	3,618	0.07
			3,618	0.07

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Finland 0.43% (0.11%)				
Elisa	EUR	113,120	3,644	0.07
Fortum	EUR	328,707	5,637	0.11
Nokian Renkaat	EUR	103,314	3,020	0.06
Stora Enso 'R'	EUR	460,093	5,765	0.11
Wartsila	EUR	341,495	4,357	0.08
			22,423	0.43
France 2.14% (0.12%)				
Accor	EUR	156,452	5,697	0.11
Aeroports de Paris	EUR	21,019	3,314	0.06
Alstom	EUR	120,374	4,012	0.08
Arkema	EUR	53,852	4,580	0.09
Bureau Veritas	EUR	199,018	3,343	0.06
Edenred	EUR	179,796	4,870	0.09
Eiffage	EUR	73,650	5,788	0.11
Electricite de France	EUR	368,720	4,696	0.09
Faurecia	EUR	55,656	2,186	0.04
Gecina, REIT	EUR	41,060	4,703	0.09
Getlink	EUR	349,278	3,280	0.06
Ingenico Group	EUR	44,892	2,635	0.05
Ipsen	EUR	27,420	3,021	0.06
Klepierre, REIT	EUR	160,088	4,004	0.08
Natixis	EUR	686,748	3,250	0.06
Orpea	EUR	35,662	3,168	0.06
Rexel	EUR	228,433	2,325	0.05
Rubis	EUR	65,358	2,564	0.05
Safran Preference	EUR	21,910	2,076	0.04
SCOR	EUR	132,327	4,743	0.09
Sodexo	EUR	66,570	5,108	0.10
Suez	EUR	289,772	3,298	0.06
Teleperformance	EUR	43,416	5,612	0.11
TOTAL	EUR	413,382	19,511	0.37
Ubisoft Entertainment	EUR	56,747	4,320	0.08
			112,104	2.14
Germany 1.69% (0.11%)				
Beiersdorf	EUR	73,852	5,857	0.11
Brenntag	EUR	116,095	4,853	0.09
Commerzbank	EUR	747,130	5,736	0.11
Delivery Hero	EUR	86,960	2,635	0.05
Deutsche Lufthansa	EUR	177,969	2,916	0.06
Evonik Industries	EUR	112,376	2,765	0.05
GEA Group	EUR	115,316	2,575	0.05
Hannover Rueck	EUR	45,111	4,634	0.09
HUGO BOSS	EUR	47,548	2,593	0.05
K+S	EUR	143,828	2,255	0.04
KION Group	EUR	50,349	2,007	0.04
LANXESS	EUR	58,361	2,960	0.06
LEG Immobilien	EUR	47,481	3,931	0.07
MTU Aero Engines	EUR	39,079	5,844	0.11
OSRAM Licht	EUR	72,514	2,055	0.04
Porsche Automobil Holding Preference	EUR	115,070	5,560	0.11
ProSiebenSat.1 Media	EUR	175,087	3,256	0.06
Rheinmetall	EUR	32,728	2,246	0.04
Sartorius Preference	EUR	25,680	2,762	0.05
Scout24	EUR	80,860	2,443	0.05
Siemens Healthineers	EUR	119,630	3,600	0.07
Symrise	EUR	91,681	5,723	0.11
Uniper	EUR	144,736	3,213	0.06
United Internet	EUR	93,939	3,026	0.06
Zalando	EUR	109,045	3,134	0.06
			88,579	1.69

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Indonesia 0.04% (0.09%)				
AKR Corporindo	IDR	2,758,370	483	0.01
Summarecon Agung	IDR	50,197,071	1,482	0.03
			1,965	0.04
Ireland 0.60% (0.00%)				
Allegion	USD	13,309	849	0.02
Bank of Ireland Group	EUR	697,603	3,952	0.08
Eaton	USD	60,700	3,656	0.07
Ingersoll-Rand	USD	34,365	2,539	0.05
Johnson Controls International	USD	129,570	3,269	0.06
Kingspan Group	EUR	115,729	3,945	0.07
Paddy Power Betfair	EUR	63,428	4,001	0.08
Pentair	USD	24,572	729	0.01
Ryanair Holdings	EUR	429,530	4,298	0.08
Smurfit Kappa Group	EUR	165,683	4,181	0.08
			31,419	0.60
Italy 0.50% (0.00%)				
Leonardo	EUR	303,244	2,623	0.05
Mediobanca Banca di Credito Finanziario	EUR	476,799	3,232	0.06
Moncler	EUR	141,921	3,794	0.07
Prysmian	EUR	201,501	3,100	0.06
Snam	EUR	1,668,890	5,278	0.10
Telecom Italia	EUR	8,689,461	3,831	0.08
Terna Rete Elettrica Nazionale	EUR	1,059,558	4,142	0.08
			26,000	0.50
Japan 7.23% (0.03%)				
Activia Properties, REIT	JPY	3,168	10,287	0.20
Advance Residence Investment, REIT	JPY	6,452	12,518	0.24
AEON REIT Investment	JPY	6,786	5,613	0.11
Comforia Residential REIT	JPY	2,525	4,607	0.09
CRE Logistics REIT	JPY	662	489	0.01
Daiwa House REIT Investment	JPY	8,277	14,301	0.27
Daiwa Office Investment, REIT	JPY	1,529	7,005	0.13
Frontier Real Estate Investment, REIT	JPY	2,249	6,583	0.12
Fukuoka REIT	JPY	3,419	3,968	0.08
Global One Real Estate Investment, REIT	JPY	4,236	3,273	0.06
GLP J-Reit, REIT	JPY	15,845	11,908	0.23
Hankyu Hanshin REIT	JPY	2,743	2,618	0.05
Health Care & Medical Investment, REIT	JPY	876	673	0.01
Heiwa Real Estate REIT	JPY	4,117	3,086	0.06
Hoshino Resorts REIT	JPY	1,006	3,739	0.07
Hulic Reit	JPY	4,768	5,154	0.10
Ichigo Hotel REIT Investment	JPY	1,156	1,078	0.02
Ichigo Office REIT Investment	JPY	5,495	3,460	0.07
Industrial & Infrastructure Fund Investment, REIT	JPY	7,702	5,961	0.11
Invesco Office J-Reit, REIT	JPY	39,268	4,256	0.08
Invincible Investment, REIT	JPY	23,133	7,307	0.14
Japan Excellent, REIT	JPY	5,933	5,998	0.11
Japan Hotel REIT Investment	JPY	19,140	10,450	0.20
Japan Logistics Fund, REIT	JPY	4,415	6,690	0.13
Japan Prime Realty Investment, REIT	JPY	4,193	11,360	0.22
Japan Real Estate Investment, REIT	JPY	6,623	25,789	0.49
Japan Rental Housing Investments, REIT	JPY	7,446	4,496	0.09
Japan Retail Fund Investment, REIT	JPY	12,494	17,325	0.33
Kenedix Office Investment, REIT	JPY	2,045	9,856	0.19
Kenedix Residential Investment, REIT	JPY	3,879	4,521	0.09
Kenedix Retail REIT	JPY	2,423	3,959	0.07
LaSalle Logiport REIT	JPY	4,987	3,456	0.07
Marimo Regional Revitalization REIT	JPY	569	430	0.01
MCUBS MidCity Investment, REIT	JPY	7,465	4,309	0.08

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 7.23% (0.03%) (continued)				
Mirai, REIT	JPY	1,355	1,745	0.03
Mitsubishi Estate Logistics REIT Investment	JPY	613	1,030	0.02
Mitsui Fudosan Logistics Park, REIT	JPY	1,129	2,536	0.05
Mori Hills REIT Investment	JPY	7,588	7,206	0.14
Mori Trust Hotel Reit	JPY	1,551	1,436	0.03
Mori Trust Sogo Reit	JPY	4,736	5,171	0.10
Nippon Accommodations Fund, REIT	JPY	2,200	7,533	0.14
Nippon Building Fund, REIT	JPY	6,414	28,163	0.54
Nippon Healthcare Investment, REIT	JPY	303	363	0.01
Nippon Prologis REIT	JPY	8,867	13,503	0.26
NIPPON REIT Investment	JPY	2,134	5,230	0.10
Nomura Real Estate Master Fund, REIT	JPY	19,593	19,847	0.38
One REIT	JPY	770	1,263	0.02
Ooedo Onsen Reit Investment	JPY	1,067	622	0.01
Orix JREIT, REIT	JPY	13,196	15,622	0.30
Premier Investment, REIT	JPY	6,285	4,933	0.09
Sakura Sogo REIT Investment	JPY	1,431	867	0.02
Samty Residential Investment, REIT	JPY	1,279	781	0.01
Sekisui House Reit	JPY	17,056	8,360	0.16
Star Asia Investment, REIT	JPY	1,797	1,260	0.02
Starts Proceed Investment, REIT	JPY	1,044	1,212	0.02
Tokyu REIT	JPY	4,432	4,701	0.09
Tosei Reit Investment	JPY	1,063	826	0.02
United Urban Investment, REIT	JPY	14,580	17,201	0.33
XYMAX REIT Investment	JPY	610	467	0.01
			378,401	7.23
Jersey 0.47% (0.08%)				
Glencore	GBP	6,586,957	20,983	0.40
Wizz Air Holdings	GBP	145,947	3,681	0.07
			24,664	0.47
Luxembourg 0.30% (0.00%)				
Aroundtown	EUR	522,830	3,261	0.06
Eurofins Scientific	EUR	8,431	3,045	0.06
SES	EUR	288,150	5,130	0.10
Tenaris	EUR	350,852	4,374	0.08
			15,810	0.30
Malaysia 0.48% (0.39%)				
Carlsberg Brewery Malaysia	MYR	924,400	3,114	0.06
Hartalega Holdings	MYR	7,198,200	8,396	0.16
Inari Amertron	MYR	8,396,100	3,382	0.07
KPJ Healthcare	MYR	13,969,900	2,763	0.05
Padini Holdings	MYR	5,727,131	5,893	0.11
Sunway Construction Group	MYR	6,092,700	1,540	0.03
			25,088	0.48
Mexico 0.36% (0.21%)				
Bolsa Mexicana de Valores	MXN	2,927,352	4,358	0.08
Controladora Vuela Cia de Aviacion 'A'	MXN	7,291,790	3,956	0.08
Genomma Lab Internacional 'B'	MXN	2,543,196	1,513	0.03
Gentera	MXN	3,710,033	2,757	0.05
Industrias Bachoco	MXN	636,401	2,070	0.04
Qualitas Controladora	MXN	1,574,970	2,867	0.05
Rassini 'A'	MXN	1,068,978	1,600	0.03
			19,121	0.36
Netherlands 0.84% (0.23%)				
Adyen	EUR	9,390	4,595	0.09
Aegon	EUR	1,348,014	6,252	0.12
ASR Nederland	EUR	110,467	3,789	0.07
EXOR	EUR	85,138	3,798	0.07

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Netherlands 0.84% (0.23%) (continued)				
Heineken Holding	EUR	76,053	4,925	0.09
InterXion Holding	USD	166,906	7,638	0.15
Koninklijke KPN	EUR	2,491,860	5,056	0.10
QIAGEN	EUR	173,463	4,552	0.09
Randstad Holding	EUR	89,261	3,384	0.06
			43,989	0.84
Philippines 0.08% (0.12%)				
D&L Industries	PHP	670,200	100	–
Filinvest Land	PHP	214,920,000	4,263	0.08
			4,363	0.08
Poland 0.05% (0.14%)				
KRUK	PLN	68,510	2,716	0.05
			2,716	0.05
Portugal 0.19% (0.00%)				
EDP – Energias de Portugal	EUR	1,910,758	5,165	0.10
Galp Energia	EUR	368,779	5,061	0.09
			10,226	0.19
Romania 0.10% (0.11%)				
Banca Transilvania	RON	11,538,335	4,995	0.10
			4,995	0.10
Singapore 0.06% (0.05%)				
Sheng Siong Group	SGD	5,595,600	3,250	0.06
			3,250	0.06
South Africa 0.26% (0.34%)				
Advtech	ZAR	3,208,778	2,429	0.05
Cashbuild	ZAR	150,575	2,063	0.04
JSE	ZAR	394,895	3,211	0.06
Reunert	ZAR	535,773	2,001	0.04
Super Group	ZAR	1,943,679	3,804	0.07
			13,508	0.26
South Korea 0.36% (0.32%)				
Com2uSCorp	KRW	43,697	4,101	0.08
DGB Financial Group	KRW	354,296	2,413	0.05
GS Home Shopping	KRW	27,504	3,773	0.07
Samjin Pharmaceutical	KRW	283,300	8,572	0.16
			18,859	0.36
Spain 0.73% (0.00%)				
ACS Actividades de Construccion y Servicios	EUR	206,281	5,997	0.12
Banco de Sabadell	EUR	4,228,394	4,707	0.09
Bankia	EUR	897,381	2,518	0.05
Bankinter	EUR	485,117	3,355	0.06
Enagas	EUR	170,429	3,345	0.06
Endesa	EUR	237,880	3,633	0.07
Grifols	EUR	221,625	4,326	0.08
Naturgy Energy Group	EUR	266,876	5,106	0.10
Red Electrica	EUR	325,278	5,066	0.10
			38,053	0.73
Sri Lanka 0.04% (0.05%)				
John Keells Holdings	LKR	3,507,582	1,973	0.04
			1,973	0.04
Sweden 0.00% (0.10%)				
Switzerland 0.00% (0.14%)				

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Taiwan 0.65% (0.97%)				
Basso Industry	TWD	2,583,251	3,101	0.06
Elite Material	TWD	1,157,445	2,002	0.04
Getac Technology	TWD	6,618,719	6,196	0.12
Macauto Industrial	TWD	809,709	1,412	0.03
Merida Industry	TWD	916,520	2,807	0.05
Pacific Hospital Supply	TWD	1,299,210	2,132	0.04
Powertech Technology	TWD	2,887,744	4,938	0.09
Sinmag Equipment	TWD	718,165	2,368	0.05
St Shine Optical	TWD	125,205	1,580	0.03
Test Research	TWD	826,643	902	0.02
WT Microelectronics	TWD	5,004,584	4,943	0.09
Youngtek Electronics	TWD	1,421,463	1,413	0.03
			33,794	0.65
Thailand 0.37% (0.40%)				
Bumrungrad Hospital	THB	775,000	3,385	0.07
KCE Electronics	THB	4,984,000	4,864	0.09
Kiatnakin Bank	THB	3,093,200	5,192	0.10
MCS Steel	THB	7,430,600	1,252	0.02
Quality Houses	THB	66,099,400	4,853	0.09
			19,546	0.37
Turkey 0.17% (0.28%)				
Celebi Hava Servisi	TRY	265,494	2,029	0.04
Ford Otomotiv Sanayi	TRY	108,801	918	0.02
Haci Omer Sabanci Holding	TRY	920,085	935	0.02
MLP Saglik Hizmetleri	TRY	839,360	1,499	0.03
Turk Traktor ve Ziraat Makineleri	TRY	215,381	1,267	0.02
Turkiye Sise ve Cam Fabrikalari	TRY	2,871,021	2,027	0.04
			8,675	0.17
United Kingdom 2.45% (0.50%)				
Anglo American	GBP	1,305,967	22,202	0.42
Antofagasta	GBP	2,555,432	20,132	0.39
Bank of Georgia Group	GBP	148,578	2,304	0.04
BHP Billiton	GBP	1,297,890	20,605	0.39
BP	GBP	3,593,431	20,098	0.38
Georgia Capital	GBP	127,526	1,464	0.03
Nielsen Holdings	USD	49,760	994	0.02
Rio Tinto	GBP	554,155	20,703	0.40
Royal Dutch Shell 'A'	EUR	801,171	20,041	0.38
			128,543	2.45
United States of America 6.87% (1.20%)				
3M	USD	82,177	12,437	0.24
Alaska Air Group	USD	17,251	812	0.02
American Airlines Group	USD	64,512	1,560	0.03
American Tower, REIT	USD	140,065	15,211	0.29
AMETEK	USD	32,486	1,787	0.03
AO Smith	USD	20,249	733	0.01
Arconic	USD	89,622	1,464	0.03
Boeing	USD	106,612	29,101	0.56
Caterpillar	USD	83,258	8,982	0.17
CH Robinson Worldwide	USD	19,409	1,374	0.03
Cintas	USD	14,889	2,089	0.04
Copart	USD	32,540	1,244	0.02
CoreSite Realty, REIT	USD	183,401	14,008	0.27
Crown Castle International, REIT	USD	278,944	22,392	0.43
CSX	USD	120,309	6,486	0.12

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United States of America 6.87% (1.20%) (continued)				
Cummins	USD	22,878	2,542	0.05
CyrusOne, REIT	USD	318,258	14,274	0.27
Deere	USD	45,429	5,133	0.10
Delta Air Lines	USD	96,847	3,820	0.07
Digital Realty Trust, REIT	USD	256,071	20,909	0.40
Dover	USD	20,692	1,292	0.02
Emerson Electric	USD	88,040	4,785	0.09
Equifax	USD	16,869	1,580	0.03
Equinix, REIT	USD	72,385	21,845	0.42
Expeditors International of Washington	USD	24,423	1,247	0.02
Fastenal	USD	40,198	1,611	0.03
FedEx	USD	37,044	6,228	0.12
Flowserve	USD	18,331	697	0.01
Fluor	USD	19,699	678	0.01
Fortive	USD	48,912	2,937	0.06
Fortune Brands Home & Security	USD	19,952	728	0.01
General Electric	USD	1,217,508	11,248	0.21
Harris	USD	21,772	2,870	0.05
Honeywell International	USD	104,031	12,367	0.24
Huntington Ingalls Industries	USD	8,039	1,431	0.03
Illinois Tool Works	USD	46,979	4,691	0.09
Jacobs Engineering Group	USD	19,879	1,103	0.02
JB Hunt Transport Services	USD	15,318	1,300	0.02
Kansas City Southern	USD	14,312	1,141	0.02
L3 Technologies	USD	14,536	2,444	0.05
Masco	USD	43,074	1,051	0.02
Norfolk Southern	USD	39,229	5,058	0.10
Northrop Grumman	USD	32,313	7,515	0.14
PACCAR	USD	49,107	2,320	0.04
Parker-Hannifin	USD	18,542	2,307	0.04
Quanta Services	USD	20,847	504	0.01
Raytheon	USD	52,936	7,746	0.15
Republic Services	USD	45,579	2,448	0.05
Robert Half International	USD	17,153	828	0.02
Rockwell Automation	USD	17,254	2,218	0.04
Rockwell Collins	USD	30,502	3,128	0.06
Rollins	USD	24,500	1,050	0.02
Roper Technologies	USD	14,478	3,081	0.06
SBA Communications, REIT	USD	67,082	7,612	0.15
Snap-on	USD	7,902	1,017	0.02
Southwest Airlines	USD	80,273	3,522	0.07
Stanley Black & Decker	USD	21,435	2,085	0.04
Stericycle	USD	12,032	481	0.01
TransDigm Group	USD	9,767	2,434	0.05
Union Pacific	USD	103,594	11,996	0.23
United Continental Holdings	USD	38,189	2,364	0.04
United Parcel Service 'B'	USD	97,135	8,557	0.16
United Rentals	USD	11,592	1,214	0.02
United Technologies	USD	148,474	14,722	0.28
Verisk Analytics	USD	23,074	1,988	0.04
Waste Management	USD	60,058	4,042	0.08
WW Grainger	USD	7,864	1,903	0.04
Xylem	USD	25,163	1,335	0.03
Zayo Group Holdings	USD	279,705	6,775	0.13
			359,882	6.87
Equities total			**1,531,374**	**29.24**

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Government Bonds 7.51% (20.86%)				
Indonesia 3.39% (1.91%)				
Indonesia Treasury 8.25% 15/07/2021	IDR	757,000,000,000	37,904	0.72
Indonesia Treasury 7.00% 15/05/2022	IDR	1,457,130,000,000	69,618	1.33
Indonesia Treasury 8.13% 15/05/2024	IDR	104,256,000,000	5,083	0.10
Indonesia Treasury 8.38% 15/09/2026	IDR	127,300,000,000	6,161	0.12
Indonesia Treasury 7.00% 15/05/2027	IDR	1,337,377,000,000	58,856	1.12
			177,622	3.39
Mexico 0.00% (3.17%)				
United States of America 4.12% (15.78%)				
US Treasury Inflation Indexed 0.91% 15/02/2047	USD	$293,900,000	215,499	4.12
			215,499	4.12
Government Bonds total			**393,121**	**7.51**
Municipal Bond 0.00% (0.05%)				
United States of America 0.00% (0.05%)				
Corporate Bonds 0.00% (10.05%)				
Australia 0.00% (0.07%)				
Bermuda 0.00% (0.08%)				
Canada 0.00% (0.94%)				
France 0.00% (0.09%)				
Germany 0.05% (0.10%)				
Jersey 0.00% (0.07%)				
Luxembourg 0.00% (0.62%)				
Netherlands 0.00% (0.12%)				
United Kingdom 0.00% (0.22%)				
United States of America 0.00% (7.74%)				
Certificates of Deposit 43.67% (39.57%)				
Australia 0.00% (1.00%)				
Canada 2.08% (2.93%)				
National Bank of Canada 0.74% 09/11/2018	GBP	42,857,000	42,858	0.82
Toronto-Dominion Bank 0.00% 22/10/2018	GBP	66,000,000	65,991	1.26
			108,849	2.08
China 2.10% (2.50%)				
Bank of China 0.00% 18/10/2018	GBP	50,000,000	49,996	0.96
Bank of China 0.00% 24/10/2018	GBP	30,000,000	29,994	0.57
Bank of China 0.00% 08/11/2018	GBP	30,000,000	29,984	0.57
			109,974	2.10
France 6.20% (7.89%)				
Banque Federative du Credit 0.85% 22/01/2019	GBP	60,000,000	60,003	1.15
Credit Agricole Corporate & Investment Bank 0.81% 16/11/2018	GBP	30,000,000	30,001	0.57
Credit Agricole Corporate & Investment Bank 0.84% 10/12/2018	GBP	75,000,000	75,006	1.43
Natixis 0.00% 10/12/2018	GBP	60,000,000	59,942	1.14
Natixis 0.00% 31/01/2019	GBP	75,000,000	74,794	1.43
Societe Generale 0.82% 31/10/2018	GBP	25,000,000	25,001	0.48
			324,747	6.20
Japan 8.50% (5.45%)				
Mizuho Bank 0.83% 09/11/2018	GBP	20,000,000	20,001	0.38
Mizuho Bank 0.83% 12/11/2018	GBP	50,000,000	50,002	0.96
Mizuho Bank 0.83% 13/11/2018	GBP	50,000,000	50,001	0.96
Mizuho Bank 0.83% 08/01/2019	GBP	50,000,000	50,000	0.95
MUFG Bank 0.79% 01/11/2018	GBP	50,000,000	50,001	0.96

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Japan 8.50% (5.45%) (continued)				
MUFG Bank 0.82% 14/01/2019	GBP	100,000,000	100,000	1.91
Sumitomo Mitsui Banking 0.83% 13/11/2018	GBP	75,000,000	75,001	1.43
Sumitomo Mitsui Banking 0.83% 16/11/2018	GBP	50,000,000	50,001	0.95
			445,007	8.50
Netherlands 6.18% (2.32%)				
ABN AMRO Bank 0.00% 02/01/2019	GBP	75,000,000	74,871	1.43
ABN AMRO Bank 0.82% 08/01/2019	GBP	49,000,000	49,002	0.94
ABN AMRO Bank 0.86% 18/02/2019	GBP	50,000,000	49,854	0.95
ING Bank 0.78% 01/11/2018	GBP	75,000,000	75,003	1.43
ING Bank 0.83% 03/12/2018	GBP	75,000,000	75,004	1.43
			323,734	6.18
Singapore 1.14% (0.00%)				
Oversea-Chinese Banking 0.70% 05/11/2018	GBP	50,000,000	50,001	0.95
United Overseas Bank 0.67% 19/10/2018	GBP	10,000,000	10,000	0.19
			60,001	1.14
Sweden 5.35% (4.33%)				
Nordea Bank 0.84% 10/01/2019	GBP	75,000,000	74,997	1.43
Nordea Bank 0.86% 18/02/2019	GBP	50,000,000	49,993	0.96
Svenska Handelsbanken 0.77% 31/10/2018	GBP	75,000,000	75,003	1.43
Svenska Handelsbanken 0.85% 07/02/2019	GBP	80,000,000	80,005	1.53
			279,998	5.35
United Arab Emirates 4.01% (3.95%)				
First Abu Dhabi Bank 0.75% 22/10/2018	GBP	30,000,000	29,999	0.57
First Abu Dhabi Bank 0.87% 06/12/2018	GBP	75,000,000	75,015	1.43
First Abu Dhabi Bank 1.00% 28/02/2019	GBP	30,000,000	30,009	0.58
First Abu Dhabi Bank 0.96% 14/03/2019	GBP	75,000,000	75,018	1.43
			210,041	4.01
United Kingdom 6.20% (9.2%)				
Santander 0.82% 10/12/2018	GBP	75,000,000	75,023	1.43
Santander 0.90% 04/02/2019	GBP	25,000,000	25,005	0.48
Standard Chartered Bank 0.76% 14/12/2018	GBP	75,000,000	74,993	1.43
Standard Chartered Bank 0.83% 07/01/2019	GBP	100,000,000	99,999	1.91
Standard Chartered Bank 0.81% 04/02/2019	GBP	50,000,000	50,000	0.95
			325,020	6.20
United States of America 1.91% (0.00%)				
Citibank 0.79% 05/11/2018	GBP	50,000,000	50,002	0.95
Citibank 0.79% 03/12/2018	GBP	50,000,000	50,004	0.96
			100,006	1.91
Certificates of Deposit total			**2,287,377**	**43.67**
Commercial Papers 4.57% (12.07%)				
Cayman Islands 0.76% (5.36%)				
Chesham Finance 0.00% 14/11/2018	GBP	40,000,000	39,974	0.76
			39,974	0.76
Finland 0.48% (0.54%)				
OP Corporate Bank 0.00% 06/12/2018	GBP	25,000,000	24,977	0.48
			24,977	0.48
Germany 0.48% (0.00%)				
Magenta Funding ST 0.00% 01/11/2018	GBP	25,000,000	24,991	0.48
			24,991	0.48
Netherlands 0.00% (0.91%)				
Singapore 0.00% (1.01%)				

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
United Kingdom 0.67% (0.61%)				
Transport for London 0.00% 29/10/2018	GBP	35,000,000	34,991	0.67
			34,991	0.67
United States of America 2.18% (3.64%)				
LMA-Americas 0.00% 13/11/2018	GBP	30,000,000	29,981	0.57
Mont Blanc Capital 0.84% 15/02/2019	GBP	24,652,000	24,584	0.47
Sheffield Receivables 0.00% 10/12/2018	GBP	60,000,000	59,932	1.14
			114,497	2.18
Commercial Papers total			**239,430**	**4.57**
Swaps 0.04% ((1.16)%)				
Credit Default Swap J.P. Morgan Buy iTraxx Europe Series 30 Version 1 20/12/2023	EUR	1,164,500,000	(13,934)	(0.27)
Credit Default Swap J.P. Morgan Buy Markit CDX North American Investment Grade Index Series 31-V1 20/12/2023	USD	1,367,000,000	(17,389)	(0.33)
Equity Variance Swap BNP Paribas Hang Seng China Enterprises Index 28/12/2018	HKD	1,149,657,600	(2,450)	(0.05)
Equity Variance Swap BNP Paribas NIKKEI 225 Index 14/12/2018	JPY	10,019,660,000	(676)	(0.01)
Equity Variance Swap BNP Paribas S&P 500 Index 21/12/2018	USD	314,936,100	3,184	0.07
Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 28/12/2018	HKD	4,136,703,700	(10,581)	(0.20)
Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 30/12/2019	HKD	1,404,840,000	(1,680)	(0.03)
Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 30/12/2019	HKD	1,142,330,700	1,013	0.02
Equity Variance Swap J.P. Morgan Hang Seng China Enterprises Index 30/12/2021	HKD	2,910,986,100	(964)	(0.02)
Equity Variance Swap J.P. Morgan NIKKEI 225 Index 14/12/2018	JPY	38,752,960,000	(3,156)	(0.07)
Equity Variance Swap J.P. Morgan S&P 500 Index 21/12/2018	USD	1,185,274,300	13,328	0.26
Equity Variance Swap J.P. Morgan S&P 500 Index 20/12/2019	USD	242,207,700	1,222	0.02
Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 28/12/2018	HKD	3,511,994,400	(12,188)	(0.25)
Equity Variance Swap Societe Generale Hang Seng China Enterprises Index 30/12/2019	HKD	395,954,800	(463)	(0.01)
Equity Variance Swap Societe Generale NIKKEI 225 Index 14/12/2018	JPY	5,054,380,000	(909)	(0.02)
Equity Variance Swap Societe Generale S&P 500 Index 21/12/2018	USD	650,949,042	11,567	0.25
Equity Variance Swap Societe Generale S&P 500 Index 20/12/2019	USD	68,543,000	319	0.01
Equity Variance Swap UBS Hang Seng China Enterprises Index 28/12/2018	HKD	659,415,200	(1,671)	(0.03)
Equity Variance Swap UBS Hang Seng China Enterprises Index 30/12/2019	HKD	3,111,943,400	(281)	–
Equity Variance Swap UBS Hang Seng China Enterprises Index 30/12/2021	HKD	7,468,654,200	233	–
Equity Variance Swap UBS S&P 500 Index 21/12/2018	USD	117,922,200	1,630	0.03
Inflation Rate Swap Barclays Pay fixed 2.27% Receive floating USCPI 1 month 03/04/2027	USD	63,500,000	43	–
Inflation Rate Swap Citigroup Pay floating UKRPI 1 month Receive fixed 3.48% 15/05/2027	GBP	67,740,000	(367)	(0.01)
Inflation Rate Swap Citigroup Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027	GBP	53,060,000	14	–
Inflation Rate Swap Citigroup Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027	GBP	53,060,000	280	0.01
Inflation Rate Swap J.P. Morgan Pay fixed 1.45% Receive floating HICPXT 1 month 15/09/2023	EUR	75,000,000	70	–
Inflation Rate Swap J.P. Morgan Pay fixed 1.46% Receive floating HICPXT 1 month 15/05/2023	EUR	173,719,943	792	0.02
Inflation Rate Swap J.P. Morgan Pay fixed 1.48% Receive floating HICPXT 1 month 15/05/2023	EUR	171,367,486	663	0.01
Inflation Rate Swap J.P. Morgan Pay fixed 1.49% Receive floating HICPXT 1 month 15/05/2023	EUR	55,554,190	189	–
Inflation Rate Swap J.P. Morgan Pay fixed 1.52% Receive floating HICPXT 1 month 15/05/2023	EUR	111,108,381	204	–
Inflation Rate Swap J.P. Morgan Pay fixed 1.53% Receive floating HICPXT 1 month 15/05/2023	EUR	400,428,050	590	–
Inflation Rate Swap J.P. Morgan Pay fixed 1.53% Receive floating HICPXT 1 month 15/06/2023	EUR	198,787,500	423	–
Inflation Rate Swap J.P. Morgan Pay fixed 2.00% Receive floating USCPI 1 month 27/06/2027	USD	75,800,000	1,727	0.04
Inflation Rate Swap J.P. Morgan Pay fixed 2.01% Receive floating USCPI 1 month 27/06/2027	USD	126,800,000	2,876	0.06
Inflation Rate Swap J.P. Morgan Pay fixed 2.01% Receive floating USCPI 1 month 28/06/2027	USD	63,400,000	1,407	0.03
Inflation Rate Swap J.P. Morgan Pay fixed 2.02% Receive floating USCPI 1 month 28/06/2027	USD	190,200,000	4,162	0.09
Inflation Rate Swap J.P. Morgan Pay fixed 2.07% Receive floating USCPI 1 month 29/06/2027	USD	126,800,000	2,333	0.04
Inflation Rate Swap J.P. Morgan Pay fixed 2.17% Receive floating USCPI 1 month 16/05/2027	USD	54,000,000	524	0.01
Inflation Rate Swap J.P. Morgan Pay fixed 2.18% Receive floating USCPI 1 month 16/05/2027	USD	126,000,000	1,101	0.02
Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.33% 15/08/2027	GBP	115,100,000	(2,931)	(0.06)
Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.37% 15/10/2027	GBP	230,000,000	(3,405)	(0.06)
Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.44% 15/05/2027	GBP	169,350,000	(1,786)	(0.04)
Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.45% 15/05/2027	GBP	169,350,000	(1,620)	(0.03)
Inflation Rate Swap J.P. Morgan Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027	GBP	53,060,000	274	0.01
Inflation Rate Swap Merrill Lynch Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027	GBP	53,060,000	21	–
Inflation Rate Swap Morgan Stanley Pay floating UKRPI 1 month Receive fixed 3.59% 15/02/2027	GBP	53,060,000	306	0.01
Inflation Rate Swap Nomura Pay floating UKRPI 1 month Receive fixed 3.43% 15/04/2027	GBP	85,000,000	(903)	(0.02)
Inflation Rate Swap RBC Pay floating UKRPI 1 month Receive fixed 3.44% 15/03/2027	GBP	80,000,000	(1,256)	(0.02)
Inflation Rate Swap UBS Pay floating UKRPI 1 month Receive fixed 3.55% 15/02/2027	GBP	53,060,000	47	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 0.04% ((1.16)%) (continued)				
Interest Rate Swap BNP Paribas Pay fixed 2.57% Receive floating CD_KSDA 3 month 20/03/2029	KRW	76,088,532,912	(1,655)	(0.03)
Interest Rate Swap BNP Paribas Pay floating CD_KSDA 3 month Receive fixed 2.43% 20/03/2021	KRW	353,235,174,064	1,704	0.03
Interest Rate Swap Deutsche Bank Pay fixed 2.40% Receive floating CD_KSDA 3 month 20/03/2029	KRW	51,942,006,494	(573)	(0.01)
Interest Rate Swap Deutsche Bank Pay floating CD_KSDA 3 month Receive fixed 2.26% 20/03/2021	KRW	238,203,817,132	612	0.01
Interest Rate Swap Goldman Sachs Pay fixed 2.24% Receive floating CD_KSDA 3 month 18/09/2029	KRW	18,587,908,586	17	–
Interest Rate Swap Goldman Sachs Pay fixed 2.26% Receive floating CD_KSDA 3 month 20/03/2029	KRW	14,637,000,000	(25)	–
Interest Rate Swap Goldman Sachs Pay fixed 2.33% Receive floating CD_KSDA 3 month 18/09/2029	KRW	15,081,861,600	(71)	–
Interest Rate Swap Goldman Sachs Pay fixed 2.35% Receive floating CD_KSDA 3 month 18/09/2029	KRW	37,704,654,000	(230)	–
Interest Rate Swap Goldman Sachs Pay fixed 2.53% Receive floating CD_KSDA 3 month 20/03/2029	KRW	102,064,679,137	(1,963)	(0.04)
Interest Rate Swap Goldman Sachs Pay fixed 2.56% Receive floating CD_KSDA 3 month 20/03/2029	KRW	97,527,843,294	(2,044)	(0.04)
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.08% 18/09/2021	KRW	84,392,945,731	(28)	–
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.10% 19/03/2021	KRW	69,020,000,000	31	–
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.17% 18/09/2021	KRW	69,042,480,000	59	–
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.19% 18/09/2021	KRW	172,606,200,000	201	–
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.39% 20/03/2021	KRW	479,616,160,983	2,076	0.04
Interest Rate Swap Goldman Sachs Pay floating CD_KSDA 3 month Receive fixed 2.42% 20/03/2021	KRW	462,017,443,174	2,168	0.04
Interest Rate Swap Goldman Sachs Pay floating CDI 1 day Receive fixed 8.42% 04/01/2021	BRL	421,163,392	566	0.01
Interest Rate Swap HSBC Pay floating CDI 1 day Receive fixed 8.80% 04/01/2021	BRL	1,232,464,278	5,865	0.11
Interest Rate Swap J.P. Morgan Pay fixed 2.21% Receive floating CD_KSDA 3 month 18/09/2029	KRW	126,673,154,808	314	0.01
Interest Rate Swap J.P. Morgan Pay fixed 2.22% Receive floating CD_KSDA 3 month 18/09/2029	KRW	117,525,406,904	255	–
Interest Rate Swap J.P. Morgan Pay fixed 2.25% Receive floating CD_KSDA 3 month 20/03/2029	KRW	43,911,000,000	(58)	–
Interest Rate Swap J.P. Morgan Pay fixed 2.26% Receive floating CD_KSDA 3 month 20/03/2029	KRW	29,274,000,000	(60)	–
Interest Rate Swap J.P. Morgan Pay fixed 2.28% Receive floating CD_KSDA 3 month 20/03/2029	KRW	35,178,000,000	(116)	–
Interest Rate Swap J.P. Morgan Pay fixed 2.33% Receive floating CD_KSDA 3 month 18/09/2029	KRW	37,704,654,000	(190)	–
Interest Rate Swap J.P. Morgan Pay fixed 1.81% Receive floating EURIBOR 6 month 09/05/2048	EUR	85,258,675	589	0.01
Interest Rate Swap J.P. Morgan Pay fixed 1.88% Receive floating EURIBOR 6 month 21/12/2048	EUR	21,600,000	(56)	–
Interest Rate Swap J.P. Morgan Pay fixed 1.89% Receive floating EURIBOR 6 month 16/03/2048	EUR	92,803,290	(21)	–
Interest Rate Swap J.P. Morgan Pay fixed 1.90% Receive floating EURIBOR 6 month 16/03/2048	EUR	76,803,291	(91)	–
Interest Rate Swap J.P. Morgan Pay fixed 1.65% Receive floating LIBOR 6 month 29/06/2047	GBP	113,672,000	3,176	0.06
Interest Rate Swap J.P. Morgan Pay fixed 1.66% Receive floating LIBOR 6 month 29/06/2047	GBP	113,672,000	3,057	0.06
Interest Rate Swap J.P. Morgan Pay fixed 1.66% Receive floating LIBOR 6 month 10/05/2048	GBP	74,000,000	1,808	0.03
Interest Rate Swap J.P. Morgan Pay fixed 1.67% Receive floating LIBOR 6 month 10/05/2048	GBP	74,000,000	1,797	0.03
Interest Rate Swap J.P. Morgan Pay fixed 1.70% Receive floating LIBOR 6 month 05/07/2047	GBP	28,500,000	635	0.01
Interest Rate Swap J.P. Morgan Pay fixed 1.70% Receive floating LIBOR 6 month 25/10/2047	GBP	46,000,000	1,017	0.02
Interest Rate Swap J.P. Morgan Pay fixed 1.71% Receive floating LIBOR 6 month 05/07/2047	GBP	28,500,000	616	0.01
Interest Rate Swap J.P. Morgan Pay fixed 1.72% Receive floating LIBOR 6 month 05/07/2047	GBP	85,500,000	1,760	0.03
Interest Rate Swap J.P. Morgan Pay fixed 1.73% Receive floating LIBOR 6 month 05/07/2047	GBP	85,500,000	1,677	0.03
Interest Rate Swap J.P. Morgan Pay fixed 1.74% Receive floating LIBOR 6 month 14/02/2048	GBP	87,500,000	1,527	0.03
Interest Rate Swap J.P. Morgan Pay fixed 1.76% Receive floating LIBOR 6 month 06/10/2047	GBP	119,843,024	1,892	0.04
Interest Rate Swap J.P. Morgan Pay fixed 1.77% Receive floating LIBOR 6 month 06/10/2047	GBP	59,923,024	888	0.02
Interest Rate Swap J.P. Morgan Pay fixed 1.80% Receive floating LIBOR 6 month 05/07/2047	GBP	6,933,331	81	–
Interest Rate Swap J.P. Morgan Pay fixed 1.81% Receive floating LIBOR 6 month 05/07/2047	GBP	6,930,356	73	–
Interest Rate Swap J.P. Morgan Pay fixed 1.85% Receive floating LIBOR 6 month 21/12/2048	GBP	76,000,000	235	–
Interest Rate Swap J.P. Morgan Pay fixed 3.03% Receive floating LIBOR 3 month 18/09/2049	USD	152,449,078	5,133	0.10
Interest Rate Swap J.P. Morgan Pay fixed 3.04% Receive floating LIBOR 3 month 17/06/2025	USD	151,333,333	876	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.04% Receive floating LIBOR 3 month 20/03/2049	USD	150,000,000	4,699	0.09
Interest Rate Swap J.P. Morgan Pay fixed 3.04% Receive floating LIBOR 3 month 18/09/2049	USD	62,223,737	1,985	0.04
Interest Rate Swap J.P. Morgan Pay fixed 3.05% Receive floating LIBOR 3 month 20/03/2049	USD	198,000,000	6,055	0.12
Interest Rate Swap J.P. Morgan Pay fixed 3.05% Receive floating LIBOR 3 month 18/09/2049	USD	152,289,185	4,694	0.09
Interest Rate Swap J.P. Morgan Pay fixed 3.06% Receive floating LIBOR 3 month 17/06/2025	USD	524,499,999	2,766	0.06
Interest Rate Swap J.P. Morgan Pay fixed 3.16% Receive floating LIBOR 3 month 16/12/2025	USD	501,470,588	880	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.17% Receive floating LIBOR 3 month 17/06/2025	USD	37,200,000	59	–
Interest Rate Swap J.P. Morgan Pay fixed 3.17% Receive floating LIBOR 3 month 16/12/2025	USD	273,529,412	425	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.18% Receive floating LIBOR 3 month 17/06/2025	USD	28,333,333	37	–
Interest Rate Swap J.P. Morgan Pay fixed 3.19% Receive floating LIBOR 3 month 17/06/2025	USD	33,200,000	33	–
Interest Rate Swap J.P. Morgan Pay fixed 3.20% Receive floating LIBOR 3 month 17/06/2025	USD	24,666,667	12	–
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.05% 18/09/2021	KRW	575,122,296,831	(383)	(0.01)
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.06% 18/09/2021	KRW	548,379,257,323	(330)	–
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.09% 19/03/2021	KRW	138,040,000,000	48	–
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.09% 20/03/2021	KRW	69,020,000,000	26	–
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.10% 20/03/2021	KRW	138,040,000,000	71	–

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaps 0.04% ((1.16)%) (continued)				
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.12% 20/03/2021	KRW	165,880,000,000	129	–
Interest Rate Swap J.P. Morgan Pay floating CD_KSDA 3 month Receive fixed 2.17% 18/09/2021	KRW	172,606,200,000	160	–
Interest Rate Swap J.P. Morgan Pay floating CDI 1 day Receive fixed 8.31% 04/01/2021	BRL	830,506,373	649	0.01
Interest Rate Swap J.P. Morgan Pay floating CDI 1 day Receive fixed 8.37% 04/01/2021	BRL	414,647,670	451	0.01
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.91% 18/09/2024	USD	1,550,000,000	(16,518)	(0.32)
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 3.04% 18/09/2024	USD	672,017,149	(4,243)	(0.08)
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 3.05% 18/09/2024	USD	609,990,277	(3,586)	(0.07)
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 3.06% 18/09/2024	USD	336,008,574	(1,907)	(0.04)
Interest Rate Swap Morgan Stanley Pay floating CDI 1 day Receive fixed 8.22% 04/01/2021	BRL	649,262,153	227	–
Swaps total			**1,895**	**0.04**
Swaptions 3.69% (1.27%)				
Interest Rate Swap Barclays Pay fixed 0.98% Receive floating LIBOR 6 month Call, 0.983, 23/06/2038	JPY	16,682,770,000	4,730	0.09
Interest Rate Swap Barclays Pay fixed 1.10% Receive floating LIBOR 6 month Call, 1.1, 23/06/2038	JPY	15,153,000,000	3,826	0.07
Interest Rate Swap Barclays Pay fixed 2.00% Receive floating LIBOR 6 month Put, 2, 03/04/2049	GBP	(87,615,000)	(2,009)	(0.04)
Interest Rate Swap Barclays Pay fixed 2.25% Receive floating LIBOR 6 month Put, 2.25, 03/07/2049	GBP	(87,450,000)	(1,334)	(0.03)
Interest Rate Swap Barclays Pay fixed 3.20% Receive floating LIBOR 3 month Put, 6.4, 23/09/2030	USD	(782,961,270)	(22,096)	(0.42)
Interest Rate Swap Barclays Pay fixed 3.70% Receive floating LIBOR 3 month Call, 7.4, 23/09/2030	USD	1,565,826,333	22,683	0.44
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 03/10/2046	USD	14,000,000	677	0.01
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 01/04/2047	USD	78,000,000	3,964	0.08
Interest Rate Swap Barclays Pay fixed 3.85% Receive floating LIBOR 3 month Call, 7.7, 02/06/2048	USD	291,200,000	14,976	0.28
Interest Rate Swap Barclays Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 01/04/2047	USD	34,000,000	823	0.02
Interest Rate Swap Barclays Pay floating LIBOR 3 month Receive fixed 1.00% Put, 2, 02/06/2048	USD	184,400,000	4,287	0.08
Interest Rate Swap Barclays Pay floating LIBOR 6 month Receive fixed 1.25% Put, 1.25, 03/07/2049	GBP	87,450,000	536	0.01
Interest Rate Swap Barclays Pay floating LIBOR 6 month Receive fixed 1.50% Put, 1.5, 03/04/2049	GBP	87,615,000	765	0.02
Interest Rate Swap BNP Paribas Pay fixed 1.06% Receive floating LIBOR 6 month Call, 1.059, 23/06/2038	JPY	8,341,386,314	2,183	0.04
Interest Rate Swap BNP Paribas Pay fixed 3.20% Receive floating LIBOR 3 month Put, 6.4, 23/09/2030	USD	(812,594,909)	(22,585)	(0.43)
Interest Rate Swap BNP Paribas Pay fixed 3.20% Receive floating LIBOR 3 month Put, 3.2, 28/09/2030	USD	(369,847,109)	(10,317)	(0.20)
Interest Rate Swap BNP Paribas Pay fixed 3.39% Receive floating LIBOR 3 month Call, 3.39, 08/09/2022	USD	937,750,000	4,399	0.08
Interest Rate Swap BNP Paribas Pay fixed 3.70% Receive floating LIBOR 3 month Call, 7.4, 23/09/2030	USD	1,624,078,961	23,174	0.45
Interest Rate Swap BNP Paribas Pay fixed 3.70% Receive floating LIBOR 3 month Call, 3.7, 28/09/2030	USD	740,132,652	10,627	0.20
Interest Rate Swap BNP Paribas Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 25/09/2046	USD	93,000,000	4,337	0.08
Interest Rate Swap BNP Paribas Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 02/06/2048	USD	145,600,000	7,322	0.14
Interest Rate Swap BNP Paribas Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 25/09/2046	USD	22,000,000	683	0.01
Interest Rate Swap BNP Paribas Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 02/06/2048	USD	92,200,000	2,104	0.04
Interest Rate Swap BNP Paribas Pay floating LIBOR 3 month Receive fixed 2.00% Put, 6, 02/09/2048	USD	199,000,000	8,409	0.16
Interest Rate Swap BNP Paribas Pay floating LIBOR 3 month Receive fixed 2.44% Call, 2.44, 08/09/2022	USD	(937,750,000)	(2,178)	(0.04)
Interest Rate Swap Citigroup Pay fixed 3.20% Receive floating LIBOR 3 month Put, 3.2, 23/09/2030	USD	(418,320,287)	(11,619)	(0.22)
Interest Rate Swap Citigroup Pay fixed 3.70% Receive floating LIBOR 3 month Call, 3.7, 23/09/2030	USD	836,666,869	11,931	0.23
Interest Rate Swap Citigroup Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 17/02/2047	USD	80,000,000	4,091	0.08
Interest Rate Swap Citigroup Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 17/02/2047	USD	35,000,000	814	0.02
Interest Rate Swap Goldman Sachs Pay fixed 0.98% Receive floating LIBOR 6 month Call, 2.948, 23/06/2038	JPY	45,188,690,378	12,809	0.24
Interest Rate Swap Goldman Sachs Pay fixed 1.06% Receive floating LIBOR 6 month Call, 1.059, 23/06/2038	JPY	16,682,772,628	4,376	0.08
Interest Rate Swap Goldman Sachs Pay fixed 1.10% Receive floating LIBOR 6 month Call, 1.1, 23/06/2038	JPY	15,153,000,000	3,824	0.07
Interest Rate Swap Goldman Sachs Pay fixed 1.98% Receive floating LIBOR 6 month Put, 1.98, 03/04/2049	GBP	(71,685,000)	(1,767)	(0.03)
Interest Rate Swap Goldman Sachs Pay fixed 2.23% Receive floating LIBOR 6 month Put, 2.23, 03/07/2049	GBP	(71,550,000)	(1,166)	(0.02)

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaptions 3.69% (1.27%) (continued)				
Interest Rate Swap Goldman Sachs Pay fixed 3.20% Receive floating LIBOR 3 month Put, 3.2, 28/09/2030	USD	(349,690,500)	(9,899)	(0.19)
Interest Rate Swap Goldman Sachs Pay fixed 3.70% Receive floating LIBOR 3 month Call, 3.7, 28/09/2030	USD	699,272,100	10,187	0.19
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 21/06/2045	USD	11,000,000	385	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 23/10/2045	USD	23,000,000	801	0.02
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 28/02/2046	USD	8,000,000	277	0.01
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 20/08/2046	USD	80,800,000	3,817	0.07
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 09/06/2047	USD	67,000,000	3,294	0.06
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 20/10/2047	USD	101,000,000	4,995	0.10
Interest Rate Swap Goldman Sachs Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 27/10/2047	USD	78,000,000	3,953	0.08
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 20/08/2046	USD	70,000,000	2,242	0.04
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 20/10/2047	USD	44,200,000	1,076	0.02
Interest Rate Swap Goldman Sachs Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 27/10/2047	USD	34,000,000	797	0.02
Interest Rate Swap Goldman Sachs Pay floating LIBOR 6 month Receive fixed 1.23% Put, 1.23, 03/07/2049	GBP	71,550,000	407	0.01
Interest Rate Swap Goldman Sachs Pay floating LIBOR 6 month Receive fixed 1.48% Put, 1.48, 03/04/2049	GBP	71,685,000	573	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 02/05/2045	USD	39,000,000	1,367	0.03
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 24/05/2045	USD	22,630,000	793	0.02
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 23/10/2045	USD	20,000,000	696	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 30/10/2045	USD	21,000,000	730	0.01
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 10/12/2046	USD	43,000,000	2,225	0.04
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 17/02/2047	USD	118,000,000	6,157	0.12
Interest Rate Swap J.P. Morgan Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 21/04/2047	USD	140,000,000	7,100	0.14
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 26/02/2046	USD	60,000,000	701	0.01
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 10/12/2046	USD	19,000,000	468	0.01
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 17/02/2047	USD	52,000,000	1,217	0.02
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 21/04/2047	USD	62,000,000	1,570	0.03
Interest Rate Swap J.P. Morgan Pay floating LIBOR 3 month Receive fixed 2.00% Put, 2, 02/09/2048	USD	87,000,000	3,736	0.07
Interest Rate Swap Merrill Lynch Pay fixed 3.39% Receive floating LIBOR 3 month Call, 3.39, 08/09/2022	USD	937,750,000	4,401	0.08
Interest Rate Swap Merrill Lynch Pay floating LIBOR 3 month Receive fixed 2.44% Call, 2.44, 08/09/2022	USD	(937,750,000)	(2,175)	(0.04)
Interest Rate Swap Morgan Stanley Pay fixed 0.98% Receive floating LIBOR 6 month Call, 0.983, 23/06/2038	JPY	16,682,772,628	4,672	0.09
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 6 month Call, 3.85, 27/03/2045	USD	1,500,000	57	–
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 17/04/2046	USD	84,000,000	4,131	0.08
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 22/04/2046	USD	28,000,000	1,371	0.03
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 08/05/2046	USD	29,000,000	1,435	0.03

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Swaptions 3.69% (1.27%) (continued)				
Interest Rate Swap Morgan Stanley Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 02/06/2048	USD	145,600,000	7,352	0.14
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 17/04/2046	USD	73,000,000	1,924	0.04
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 22/04/2046	USD	24,500,000	644	0.01
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 02/06/2048	USD	92,200,000	2,075	0.04
Interest Rate Swap Nomura Pay fixed 0.98% Receive floating LIBOR 6 month Call, 1.965, 23/06/2038	JPY	16,682,772,628	4,670	0.09
Interest Rate Swap Nomura Pay fixed 1.10% Receive floating LIBOR 6 month Call, 2.2, 23/06/2038	JPY	30,306,000,000	7,623	0.14
Interest Rate Swap Nomura Pay fixed 3.20% Receive floating LIBOR 3 month Put, 3.2, 23/09/2030	USD	(392,430,450)	(10,904)	(0.21)
Interest Rate Swap Nomura Pay fixed 3.20% Receive floating LIBOR 3 month Put, 3.2, 28/09/2030	USD	(371,060,475)	(10,341)	(0.20)
Interest Rate Swap Nomura Pay fixed 3.70% Receive floating LIBOR 3 month Call, 3.7, 23/09/2030	USD	784,738,690	11,195	0.21
Interest Rate Swap Nomura Pay fixed 3.70% Receive floating LIBOR 3 month Call, 3.7, 28/09/2030	USD	742,005,395	10,642	0.20
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 09/04/2046	USD	38,000,000	1,883	0.04
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 14/05/2046	USD	5,000,000	246	0.01
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 15/03/2047	USD	10,000,000	511	0.01
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 16/02/2048	USD	103,000,000	5,199	0.10
Interest Rate Swap Nomura Pay fixed 3.85% Receive floating LIBOR 3 month Call, 3.85, 02/06/2048	USD	145,600,000	7,288	0.14
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 14/05/2046	USD	5,000,000	133	–
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 15/03/2047	USD	5,000,000	113	–
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 16/02/2048	USD	46,000,000	1,008	0.02
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 1.00% Put, 1, 02/06/2048	USD	92,200,000	2,118	0.04
Interest Rate Swap Nomura Pay floating LIBOR 3 month Receive fixed 2.00% Put, 4, 02/09/2048	USD	62,000,000	2,578	0.05
Interest Rate Swap Societe Generale Pay fixed 3.20% Receive floating LIBOR 3 month Put, 3.2, 28/09/2030	USD	(388,545,000)	(10,832)	(0.21)
Interest Rate Swap Societe Generale Pay fixed 3.70% Receive floating LIBOR 3 month Call, 3.7, 28/09/2030	USD	776,969,000	11,148	0.21
Swaptions total			**193,109**	**3.69**
Options 0.24% (2.13%)				
EURO STOXX Bank Index, Call, 110, 16/11/2018	EUR	119,952	2,380	0.04
EURO STOXX Bank Index, Call, 115, 16/11/2018	EUR	(119,952)	(529)	(0.01)
EURO STOXX Bank Index, Call, 112.5, 21/12/2018	EUR	119,952	3,966	0.08
EURO STOXX Bank Index, Call, 117.5, 21/12/2018	EUR	(119,952)	(1,586)	(0.03)
Foreign Exchange USD/BRL, Put, 3.75, 21/03/2019	USD	364,000,000	10,251	0.20
Foreign Exchange USD/BRL, Put, 3.55, 21/03/2019	USD	(364,000,000)	(3,896)	(0.08)
Foreign Exchange USD/SAR, Call, 3.86, 05/12/2018	USD	26,000,000	5	–
Foreign Exchange USD/TRY, Put, 4, 08/03/2019	USD	183,470,000	–	–
Foreign Exchange USD/TRY, Put, 3.9, 21/03/2019	USD	187,910,000	–	–
Foreign Exchange USD/TRY, Put, 3.9, 05/04/2019	USD	129,144,000	–	–
Foreign Exchange USD/TRY, Put, 3.9, 09/04/2019	USD	48,000,000	–	–
Foreign Exchange USD/TRY, Put, 3.9, 18/04/2019	USD	48,000,000	–	–
Foreign Exchange USD/TRY, Put, 3.9, 02/05/2019	USD	32,000,000	–	–
Foreign Exchange USD/TRY, Put, 3.8, 19/06/2019	USD	42,016,806	–	–
Foreign Exchange USD/TRY, Put, 3.8, 27/06/2019	USD	21,010,000	–	–
Foreign Exchange USD/TRY, Put, 3.8, 10/07/2019	USD	42,015,210	–	–
Foreign Exchange USD/TRY, Put, 3.8, 17/07/2019	USD	21,008,403	–	–
Foreign Exchange USD/TRY, Put, 4, 04/05/2020	USD	21,010,000	–	–
Foreign Exchange USD/TRY, Put, 4, 04/06/2020	USD	42,015,000	1	–
Genmab, Call, 160, 18/12/2018	USD	465,000,000	1,948	0.04
Options total			**12,540**	**0.24**
Forward Currency Contracts 0.39% ((0.19)%)				
Buy AUD 503,802,271 sell GBP 281,150,000 dated 14/11/2018			(7,593)	(0.14)
Buy AUD 302,437,699 sell USD 222,700,000 dated 14/11/2018			(5,019)	(0.10)
Buy CHF 372,600,000 sell EUR 325,201,083 dated 16/01/2019			671	0.01
Buy EUR 185,000,000 sell AUD 291,526,145 dated 14/11/2018			4,988	0.10
Buy EUR 29,109,323 sell GBP 25,512,779 dated 14/11/2018			179	–
Buy EUR 171,142,360 sell GBP 153,540,692 dated 14/11/2018			(2,489)	(0.05)
Buy GBP 281,150,000 sell AUD 496,243,273 dated 14/11/2018			11,697	0.22

PORTFOLIO STATEMENT (CONTINUED)

As at 15 October 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Forward Currency Contracts 0.39% ((0.19)%) (continued)				
Buy GBP 560,120,666 sell EUR 626,603,893 dated 14/11/2018			7,075	0.14
Buy GBP 18,000,000 sell EUR 20,457,842 dated 14/11/2018			(56)	–
Buy GBP 429,531,095 sell JPY 60,654,000,000 dated 14/11/2018			16,256	0.31
Buy GBP 932,605,229 sell USD 1,199,391,346 dated 14/11/2018			21,142	0.40
Buy GBP 14,359,344 sell USD 18,800,000 dated 21/11/2018			77	–
Buy GBP 216,463,058 sell USD 296,260,000 dated 21/11/2018			(8,607)	(0.16)
Buy INR 15,336,859,547 sell USD 219,579,500 dated 28/11/2018			(9,866)	(0.19)
Buy INR 11,959,735,674 sell USD 171,019,500 dated 19/12/2018			(7,913)	(0.15)
Buy JPY 23,911,120,500 sell EUR 185,000,000 dated 14/11/2018			(360)	(0.01)
Buy JPY 5,012,465,030 sell GBP 34,676,029 dated 14/11/2018			(523)	(0.01)
Buy JPY 22,963,096,381 sell SGD 285,835,000 dated 19/12/2018			(1,267)	(0.02)
Buy KRW 166,855,717,088 sell USD 147,525,000 dated 24/10/2018			257	–
Buy KRW 222,744,834,440 sell USD 197,200,000 dated 19/12/2018			342	0.01
Buy NOK 2,549,173,608 sell EUR 268,405,590 dated 16/01/2019			283	0.01
Buy NOK 304,450,783 sell EUR 32,094,410 dated 16/01/2019			–	–
Buy SEK 3,375,000,000 sell CHF 364,152,204 dated 16/01/2019			6,471	0.12
Buy TWD 6,668,891,807 sell USD 219,579,500 dated 28/11/2018			(2,182)	(0.04)
Buy TWD 5,180,499,350 sell USD 171,019,500 dated 19/12/2018			(1,868)	(0.04)
Buy USD 222,700,000 sell AUD 306,570,141 dated 14/11/2018			2,775	0.05
Buy USD 36,900,000 sell GBP 27,986,221 dated 14/11/2018			56	–
Buy USD 14,349,104 sell GBP 11,000,000 dated 14/11/2018			(96)	–
Buy USD 14,350,000 sell GBP 9,984,192 dated 21/11/2018			918	0.02
Buy USD 219,579,500 sell INR 16,037,283,279 dated 28/11/2018			2,701	0.05
Buy USD 171,019,500 sell INR 12,586,420,457 dated 19/12/2018			1,528	0.03
Buy USD 147,525,000 sell KRW 165,191,262,000 dated 24/10/2018			865	0.02
Buy USD 197,200,000 sell KRW 220,499,180,000 dated 19/12/2018			1,170	0.02
Buy USD 36,373,626 sell SAR 149,713,845 dated 18/01/2022			(2,126)	(0.04)
Buy USD 36,373,627 sell SAR 149,481,967 dated 24/01/2022			(2,079)	(0.04)
Buy USD 18,319,560 sell SAR 74,915,093 dated 07/02/2022			(974)	(0.02)
Buy USD 18,319,559 sell SAR 75,166,983 dated 09/02/2022			(1,021)	(0.02)
Buy USD 9,159,780 sell SAR 37,450,677 dated 14/02/2022			(485)	(0.01)
Buy USD 30,680,450 sell SAR 125,134,005 dated 15/02/2022			(1,566)	(0.03)
Buy USD 23,461,521 sell SAR 95,504,994 dated 16/02/2022			(1,162)	(0.02)
Buy USD 32,556,835 sell SAR 132,391,284 dated 22/02/2022			(1,585)	(0.03)
Buy USD 21,704,559 sell SAR 88,127,021 dated 02/03/2022			(1,029)	(0.02)
Buy USD 17,797,736 sell SAR 72,351,964 dated 07/03/2022			(860)	(0.02)
Buy USD 22,000,000 sell SAR 87,821,800 dated 30/03/2022			(753)	(0.01)
Buy USD 25,000,000 sell SAR 101,072,500 dated 09/05/2022			(1,085)	(0.02)
Buy USD 26,000,000 sell SAR 105,107,600 dated 11/05/2022			(1,126)	(0.02)
Buy USD 12,500,000 sell SAR 50,255,000 dated 15/08/2022			(476)	(0.01)
Buy USD 36,500,000 sell SAR 143,358,650 dated 24/10/2022			(734)	(0.01)
Buy USD 275,800,000 sell SGD 377,650,182 dated 19/12/2018			665	0.01
Buy USD 347,027,852 sell TWD 10,528,130,974 dated 28/11/2018			3,732	0.07
Buy USD 387,879,500 sell TWD 11,858,699,069 dated 19/12/2018			1,543	0.03
Forward Currency Contracts total			**20,491**	**0.39**
Futures 0.78% (0.64%)				
EURO STOXX 50 Index 21/12/2018	EUR	(7,416)	7,806	0.15
EURO STOXX Bank Index 21/12/2018	EUR	14,698	(6,268)	(0.12)
Nasdaq 100 Emini Index 21/12/2018	USD	(459)	2,801	0.05
S&P 500 Emini Index 21/12/2018	USD	(4,258)	25,009	0.48
US Ultra Bond 19/12/2018	USD	(2,849)	17,701	0.34
XAF Financial Index 21/12/2018	USD	1,704	(6,308)	(0.12)
Futures total			**40,741**	**0.78**
Investment assets			4,748,678	90.67
Net other assets			488,519	9.33
Net assets			**5,237,197**	**100.00**

All holdings are ordinary shares or stock units or debt securities and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 15 October 2017.

STATEMENT OF TOTAL RETURN

For the year ended 15 October 2018

	Notes	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Income					
Net capital losses	2		(97,338)		(39,037)
Revenue	3	114,065		69,427	
Expenses	4	(36,555)		(28,862)	
Net revenue before taxation		77,510		40,565	
Taxation	5	(14,024)		(6,034)	
Net revenue after taxation			63,486		34,531
Total return before distributions			**(33,852)**		**(4,506)**
Distributions	6		(63,476)		(34,518)
Change in net assets attributable to shareholders from investment activities			**(97,328)**		**(39,024)**

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 15 October 2018

	£000	Year ended 15.10.18 £000	£000	Year ended 15.10.17 £000
Opening net assets attributable to shareholders		**4,945,916**		**2,885,931**
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	1,111,544		2,393,435	
Amounts payable on cancellation of shares	(784,507)		(339,730)	
		327,037		2,053,705
Dilution adjustment		665		2,161
Change in net assets attributable to shareholders from investment activities (see above)		(97,328)		(39,024)
Retained distribution on accumulation shares		60,907		43,143
Closing net assets attributable to shareholders		**5,237,197**		**4,945,916**

BALANCE SHEET

As at 15 October 2018

	Notes	As at 15.10.18 £000	As at 15.10.17 £000
Assets:			
Investments	7	5,064,145	4,819,618
Current assets:			
Debtors	8	416,872	26,622
Cash and bank balances	9	719,969	450,274
Total assets		**6,200,986**	**5,296,514**
Liabilities:			
Investment liabilities	7	(315,467)	(228,138)
Provisions for liabilities	10	(399)	–
Creditors:			
Bank overdrafts		(2,997)	(3,614)
Other creditors	11	(644,926)	(118,846)
Total liabilities		**(963,789)**	**(350,598)**
Net assets attributable to shareholders		**5,237,197**	**4,945,916**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 7 to 9 for accounting basis and policies.

2 Net capital losses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net capital losses on investments during the year comprise:		
Currency gains	541	4,860
Derivative contracts gains/(losses)	41,807	(13,607)
Expenses relating to the purchase and sale of investments	(55)	(81)
Forward currency contracts gains	88,349	97,246
Non-derivative securities losses	(227,980)	(127,455)
Net capital losses	**(97,338)**	**(39,037)**

3 Revenue

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Bank and deposit interest	1,393	765
Compensation payment	–	32
Interest on debt securities	60,050	64,133
Income from derivatives	18,066	(10,029)
Overseas dividends	32,410	13,265
Scrip dividends	6	(832)
UK dividends	2,140	2,093
Total revenue	**114,065**	**69,427**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge/Fund Management Fee*	35,231	25,703
Registration fees	589	1,013
	35,820	26,716
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	382	494
Interest payable	4	1,349
Safe custody fee	443	508
	829	2,351
Other expenses:		
Audit fee**	13	28
Dividend collection charges	12	–
Printing and postage expenses	7	18
Professional fee	4	1
Statement fee	24	38
	60	85
Total expenses	**36,709**	**29,152**
Less those expenses rebated by the ACD	(154)	(290)
Net expenses	**36,555**	**28,862**

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.
** The audit fee was £17,816 (2017: £17,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Corporation tax	7,719	4,167
Adjustments in respect of prior periods	69	(507)
Overseas tax suffered	5,837	2,374
Total current tax (see note 5b)	**13,625**	**6,034**
Deferred tax (see note 5c)	399	–
Total tax for the year	**14,024**	**6,034**

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Net revenue before taxation	**77,510**	**40,565**
Corporation tax at 20%	15,502	8,113
Effects of:		
UK dividends not subject to corporation tax	(428)	(419)
Overseas dividends not subject to corporation tax	(4,523)	(2,616)
Stock dividends not subject to corporation tax	(1)	–
Double tax relief	(2,022)	(900)
Expenses not deductible for tax purposes	(2)	(11)
Irrecoverable overseas withholding tax	5,837	2,374
Revenue taxable in different periods	(807)	–
Adjustments in respect of prior period	69	(507)
	(1,877)	(2,079)
Current tax charge (see note 5a)	**13,625**	**6,034**

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
Movement in deferred tax for the year (Note 5(a))	399	–
Provision at the end of the year	**399**	**–**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 15.10.18 £000	Year ended 15.10.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Final distribution	60,907	43,143
	60,907	43,143
Add: Revenue deducted on cancellation of shares	4,725	2,032
Deduct: Revenue received on issue of shares	(2,156)	(10,657)
Total distributions	**63,476**	**34,518**
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	63,476	34,518
Equalisation on conversions	–	(8)
Other fees borne by capital account	9	22
Undistributed revenue brought forward	(1)	(2)
Undistributed revenue carried forward	2	1
Net revenue after taxation	**63,486**	**34,531**

Details of the distributions per share are set out in the distribution tables on page 377.

7 Fair value hierarchy

	As at 15.10.18		As at 15.10.17	
Valuation technique	**Assets at £000**	**Liabilities at £000**	**Assets at £000**	**Liabilities at £000**
Level 1: Quoted prices	1,617,449	(14,691)	419,058	(25,110)
Level 2: Observable market data	3,446,696	(300,776)	4,400,560	(203,028)
Total value	**5,064,145**	**(315,467)**	**4,819,618**	**(228,138)**

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued revenue	11,465	13,989
Accrued expense fee rebate	–	33
Amounts receivable on issue of shares	96	421
Corporation tax recoverable	–	472
Overseas tax recoverable	882	449
Sales awaiting settlement	404,429	11,258
Total debtors	**416,872**	**26,622**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	As at 15.10.18 £000	As at 15.10.17 £000
Amounts held at futures clearing house and brokers	–	57,524
Cash and bank balances	719,969	392,750
Total cash and bank balances	**719,969**	**450,274**

10 Provisions for liabilities

	As at 15.10.18 £000	As at 15.10.17 £000
Deferred taxation	399	–
Total provisions for liabilities	**399**	**–**

11 Other creditors

	As at 15.10.18 £000	As at 15.10.17 £000
Accrued expenses	3,938	4,018
Amounts payable for cancellation of shares	19,974	6,239
Corporation tax payable	3,381	1,510
Derivative income payable	–	22
Purchases awaiting settlement	617,633	107,057
Total other creditors	**644,926**	**118,846**

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

13 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges/Fund Management Fee was £3,937,668 (2017: £3,621,640). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £42,261,712 (2017: £6,318,895). The amount outstanding at the year end was £42,261,712 (2017: £6,318,895). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the 15 October 2018 amounted to £nil (2017: £nil) and £nil (2017: £nil) respectively. The income received during the 15 October 2018 amounted to £nil (2017: £nil).

Holdings at the year end and movements during the year are as follows:

	Holdings at 15.10.18 (shares)	Movement (shares)	Holdings at 15.10.17 (shares)
ACD and related parties (Class 1 Accumulation shares)	25,704	25,704	–
ACD and related parties (Class 2 Accumulation shares)	74,108,483	31,460,799	42,647,684
ACD and related parties (Class 3 Accumulation shares)	3,100,813,914	3,100,813,914	–
ACD and related parties (Class 5 Accumulation shares)	–	(594,358,521)	594,358,521
ACD and related parties (Class 9 Accumulation shares)	47,648,118	(3,408,947)	51,057,065

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shareholder funds

The Fund currently has five share classes: Class 1 (Retail), Classes 2 and 5 (Institutional) and Classes 3 and 9 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1: 1.10%
Class 2: 0.85%
Class 3: 0.59%
Class 5: 0.70%
Class 9: 0.80%

The net asset value of the share class, the net asset value per share and the number of shares in the class are shown on pages 349 and 350. The distributions per share are given in the distribution tables on page 377. All the share classes have the same rights on winding up.

15 Shares in issue reconciliation

	Number of shares in issue at 15.10.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 15.10.18
Class 1 Accumulation shares	2,132,098	40,678	(680,363)	14,532	1,506,945
Class 2 Accumulation shares	848,053,542	20,206,835	(292,434,348)	(362,409)	575,463,620
Class 3 Accumulation shares	3,016,643,241	300,283,003	(216,112,330)	–	3,100,813,914
Class 5 Accumulation shares	594,358,521	681,422,842	(191,330,703)	342,981	1,084,793,641
Class 9 Accumulation shares	62,148,343	7,311,304	(21,545,257)	–	47,914,390

16 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on pages 8 and 9.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Value at risk

The Fund enters into derivative transactions in the form of forward currency contracts, futures, options and swaps for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history.

The VaR calculated for the year ended 15 October 2018 was as follows:

	15.10.18 %	15.10.17 %
As at 15 October, the company's value at risk is		
During the financial year, the highest utilisation of value at risk was	(2.24)	(1.85)
During the financial year, the average utilisation of value at risk was	(3.79)	(2.79)
During the financial year, the lowest utilisation of value at risk was	(4.90)	(3.92)

Leverage

Average leverage is calculated as the sum of the net asset value and the incremental exposure generated through the use of derivatives (calculated in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

At the year end date the average leverage was 637% (2017: 554%).

Market price risk

At the year end date, 90.67% (2017: 92.83%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.07% (2017: 9.28%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Counterparty exposure and collateral

Financial derivative exposure

The types of derivatives held at the year end date were forward currency contracts, futures contracts, credit default swaps, interest rate swaps, total return swaps, inflation linked swaps, option contracts and equity variance swap. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the year end date was as follows:

15.10.18	Forward currency contracts £000	Interest rate swaps £000	Inflation linked swaps £000	Option contracts £000	Equity Variance Swap £000	Cash collateral held £000	Total £000
Barclays	–	57,267	43	-	–	–	57,310
BNP Paribas	(9,913)	64,942	–	5	3,184	–	58,218
Citibank	(4,829)	16,836	294	1	–	540	12,842
Deutsche Bank	55	612	–	–	–	115	782
Goldman Sachs	15,019	58,931	–	–	–	23,864	97,814
HSBC	(1,523)	5,865	–	–	–	1,837	6,179
JPMorgan	18,507	77,345	17,335	1,948	15,563	25,921	156,619
Merrill Lynch	665	4,401	21	10,251	–	9,027	24,365
Morgan Stanley	–	23,888	306	–	–	–	24,194
Nomura	–	55,207	–	–	–	1,105	56,312
Royal Bank of Canada	916	–	–	–	–	–	916
Royal Bank of Scotland	256	–	–	–	–	–	256
Société Générale	4,114	11,148	–	–	11,886	2,320	29,468
Standard Chartered	(2,776)	–	–	–	–	–	(2,776)
UBS	–	–	47	6,346	1,863	573	8,829
Total	**20,491**	**376,442**	**18,046**	**18,551**	**32,496**	**65,302**	**531,328**

15.10.17	Forward currency contracts £000	Interest rate swaps £000	Inflation linked swaps £000	Option contracts £000	Equity Variance Swap £000	Cash collateral held £000	Total £000
Barclays	–	10,396	–	–	–	–	10,396
BNP Paribas	(6,131)	4,514	124	48,713	10,187	27,889	85,296
Citibank	(9,963)	4,558	1,817	5,875	–	2,376	4,663
Deutsche Bank	–	1,895	–	–	–	–	1,895
Goldman Sachs	4,232	19,590	140	–	13,597	–	37,559
HSBC	528	356	–	–	–	1,164	2,048
JPMorgan	(1,779)	26,812	6,658	14,385	12,747	16,969	75,792
Merrill Lynch	–	–	1,194	–	6,602	–	7,796
Morgan Stanley	–	9,861	960	–	–	–	10,821
Nomura	(628)	3,690	838	9,961	–	9,096	22,957
Royal Bank of Canada	–	–	261	–	–	–	261
Royal Bank of Scotland	–	–	880	–	–	15,783	16,663
Société Générale	(5,683)	–	–	26,007	23,413	2,683	46,420
Standard Chartered	2,794	–	–	758	–	388	3,940
UBS	7,208	–	903	–	1,100	5,869	15,080
Total	**(9,422)**	**81,672**	**13,775**	**105,699**	**67,646**	**82,217**	**341,587**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Debt security credit analysis

	Market value £000		Total net assets %	
	15.10.18	15.10.17	15.10.18	15.10.17
Investment grade securities	393,121	937,481	7.51%	18.95%
Below investment grade securities	–	590,075	–	11.93%
Unrated securities	–	3,997	–	0.08%
Total debt securities	**393,121**	**1,531,553**	**7.51%**	**30.96%**

Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

19 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

15.10.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Bonds	(872,607)	–	–	(872,607)	0.00%	0.00%
Equities	(12,890,441)	(304)	(3,042)	(12,893,787)	0.00%	0.02%
Funds	(25,867)	–	–	(25,867)	0.00%	0.00%
Purchases (corporate action activity only)						
Equities	(321)	–	–	(321)	0.00%	0.00%
	(13,789,236)	(304)	(3,042)	(13,792,582)		
Sales (excluding Inspecie & Corporate Action activity)						
Bonds	1,908,237	–	–	1,908,237	0.00%	0.00%
Equities	11,648,612	(118)	(76)	11,648,418	0.00%	0.00%
	13,556,849	(118)	(76)	13,556,655		
Derivative purchases and sales		(926)	(764)			
Total		(1,348)	(3,882)			
Percentage of Fund average net assets		0.02%	0.07%			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Direct transaction costs (continued)

15.10.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding Inspecie & Corporate Action activity)						
Bonds	(10,156,602)	–	–	(10,156,602)	0.00%	0.00%
Equities	(349,607)	(191)	(309)	(350,107)	0.05%	0.09%
Funds	(2,393)	–	–	(2,393)	0.00%	0.00%
Purchases (corporate action activity only)						
Equities	(692)	–	–	(692)	0.00%	0.00%
	(10,509,294)	(191)	(309)	(10,509,794)		
Sales (excluding Inspecie & Corporate Action activity)						
Bonds	8,082,387	–	–	8,082,387	0.00%	0.00%
Equities	402,322	(135)	(147)	402,040	0.03%	0.04%
	8,484,709	(135)	(147)	8,484,427		
Derivative purchases and sales		(906)	–			
Total		(1,232)	(456)			
Percentage of Fund average net assets		0.03%	0.01%			

Dealing spread

As at 15 October 2018, the average portfolio dealing spread was 0.10% (2017: 0.13%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

20 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLE

Final distribution payable in pence per share for the year ended 15 October 2018

Income shares		Net revenue	Equalisation	Final distribution payable 14 December 2018	Final distribution paid 14 December 2017
Class 1 Accumulation shares	Group 1	0.8483	–	0.8483	0.5541
	Group 2	0.4981	0.3502	0.8483	0.5541
Class 2 Accumulation shares	Group 1	1.0672	–	1.0672	0.7697
	Group 2	0.7445	0.3227	1.0672	0.7697
Class 3 Accumulation shares	Group 1	1.3203	–	1.3203	1.0118
	Group 2	0.7504	0.5699	1.3203	1.0118
Class 5 Accumulation shares	Group 1	1.2241	–	1.2241	0.9380
	Group 2	1.1554	0.0687	1.2241	0.9380
Class 9 Accumulation shares	Group 1	1.1135	–	1.1135	0.8139
	Group 2	0.8818	0.2317	1.1135	0.8139

Final distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 15 October 2017.
Group 2 shares are those shares purchased after 12:00 noon on 15 October 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the period end and of the net income and net gains or losses on the scheme property of the Company for the period then ended.

In preparing the financial statements the ACD is required to:

– follow applicable accounting standards;

– make judgements and estimates that are reasonable and prudent;

– select suitable accounting policies and then apply them consistently;

– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and

– comply with the Instrument of Incorporation and the Statement of Recommended Practice for Authorised Funds.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the Instrument of Incorporation.

The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Investment Funds ICVC for the year ended 15 October 2018 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

I Buckle
Director

S Ebenston
Director
15 February 2019

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the COLL Sourcebook, as appropriate, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Citibank Europe plc, UK Branch
London
15 February 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS INVESTMENT FUNDS ICVC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Aviva Investors Investment Funds ICVC's financial statements:

– give a true and fair view of the financial position of the Company and each of the sub-funds as at 15 October 2018 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as 16 October 2017 to 15 October 2018 for all sub-funds except Aviva Investors Global Equity Endurance Fund with a period 19 December 2017 to 15 October 2018); and

– have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Investment Funds ICVC (the "Company") is an Open Ended Investment Company ('OEIC') with 18 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 15 October 2018; the statements of total return, the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (within the Policies and Risks section); and the notes to the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

EMPHASIS OF MATTER – BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we draw attention to accounting policy 1a (within the ''Policies and Risks" section) which describes the Authorised Corporate Director's reasons why the financial statements of the Cash Fund have been prepared on a basis other than going concern.

CONCLUSIONS RELATING TO GOING CONCERN

ISAs (UK) require us to report to you when:

– the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

– the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

With the exception of the circumstances described in the Emphasis of Matter – Basis of preparation above regarding the Aviva Investors Cash Fund, we have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS INVESTMENT FUNDS ICVC (CONTINUED)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 378, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

OPINION ON MATTER REQUIRED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

– proper accounting records have not been kept; or

– the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
15 February 2019

SECURITIES FINANCING TRANSACTIONS (UNAUDITED)

The Fund engages in Securities Financing Transactions (SFT) (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to SFT for the accounting year ended 15 October 2018 are detailed below.

GLOBAL DATA

Amount of securities and commodities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 0%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

Return and cost

JPMorgan Chase Bank, N.A(JPMCB), the lending agent of the Fund, receives a fee of 15% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 85%, is received by the Fund i.e. for the benefit of Shareholders.

GENERAL INFORMATION

Investments in Aviva Investors Investment Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

The value of an investment in the funds and the revenue from it may go down as well as up, and you may not get back the original amount invested.

Where funds are invested abroad, the value of your investment may rise and fall purely on account of movement in exchange rates.

Please refer to the Prospectus (which is available on the internet at www.avivainvestors.com or from the ACD on request) for a full description of the risks involved when investing in the Funds.

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

The performance figure given for each fund (source: Aviva Investors) is based on midday values (with the exception of Aviva Investors UK Index Tracking Fund which is based on 5 p.m values and Aviva Investors Multi-Strategy Target Return Fund with is based on 11:59 p.m values). The performance figure given for each comparative index (source: Lipper) is based on close of business values. Hence any over/under performance may be adversely or favourably affected by this time difference.

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

Publication of Prices
Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at www.avivainvestors.com. Calls may be recorded for training or monitoring purposes. Calls are free from landlines and mobiles.

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