ACCUMULATION SHARES/UNITS

These are shares or units where income is kept within the fund and is reflected in the price of the shares/units.

This type of unit/share typically attracts investors looking for growth rather than income.

ALTERNATIVES

Usually refers to a range of investment asset types excluding the mainstream categories of equities, bonds and cash or cash-like assets. The most prominent examples of alternatives are derivatives, hedge funds, property and commodities.

ASSET ALLOCATION

Funds invest in different types of assets such as equities (shares), bonds, property and cash. This section shows the types of assets the fund invests in and the proportion of the fund invested in each one.

Equities (shares): A security providing ownership rights to a company. Equities can be categorised by geography (such as UK equities, US equities and global equities) or company size (eg small cap, mid cap and large cap).

Bonds: These are interest bearing securities which entitle holders to regular interest and repayment at maturity. They are commonly issued by both companies and governments and include global convertibles, UK gilts, UK corporate bonds, global bonds and emerging-market bonds.

Commodities: Physical resources such as sugar, wheat, oil, copper and precious metals (eg gold).

Property: This includes buildings and/or the land belonging to them. Any property that is attached directly to land, as well as the land itself, is called “Real Property” which not only includes buildings and other structures, but also associated rights and interests.

Cash and equivalents: Cash equivalents are one of the three main asset classes, along with shares and bonds. These securities have a low-risk, low-return profile. Cash equivalents include US government Treasury bills, bank certificates of deposit, bankers’ acceptances, corporate commercial paper and other money-market instruments.

Alternative trading strategies: These could enable investors to access a wide range of markets and asset classes, including indices, commodities, foreign exchange and equities. They can include derivatives, absolute-return funds, hedge funds and private equity.

Investment trusts: These are listed public companies whose business it is to hold and manage a portfolio of investments. Their shares are dealt on the stock exchange.

Managed funds: Holdings in other funds where no further breakdown of assets is available to incorporate in the chart.

Non-classified/other: This category represents all other assets that the fund invests in. This category may also include holdings where there is no accessible data or the holdings are newly registered and the data is not accessible yet.

BID TO BID

The bid price is usually the selling price of a share or unit as it is the highest price a buyer is willing to pay. Bid to bid simply means performance has been calculated on a like for like basis.

REGIONAL/COUNTRY ALLOCATION CHART

Funds can invest in different countries. The chart in this section shows the top ten countries the fund invests in and the proportion invested in each one. In this chart the “Other” category typically represents all other countries not named that the fund invests a very small proportion in, often less than 1 per cent for each country.
CREDIT MATURITY

This shows the time remaining to maturity of the bonds held by the fund. Generally, the longer the duration of a holding is, the greater the price’s sensitivity to any changes in interest rates.

CREDIT QUALITY

Independent ratings agencies assign different ratings to bonds depending on the bond issuers’ financial strength and their outlook as well as their ability to pay interest on time and meet all of their liabilities. We use ratings supplied by Standard & Poor’s. The most secure bonds are rated AAA and those at the lowest end are rated D. NR stands for issuers that are “Not Rated”.

DERIVATIVES

These are investments whose value depends on another financial asset, for example the price of a bond, currency or share. Derivatives can be used by fund managers to control particular aspects of a fund’s risk, or as an investment in their own right.

DISTRIBUTION

Income generated which has either been paid to you (income shares) or has been added to the value of your investment in the fund (accumulation shares).

DURATION OF HOLDINGS

This shows the time remaining to maturity of cash and cash equivalent assets held by the fund. Where an asset has no fixed term this is included in the 0-1 Days figure.

ENTRY CHARGE

A charge may be taken from your money before it is invested. The charge is usually a percentage of the amount invested and is additional to the price paid for the units/shares. The entry charge is deducted from the investment before units/shares are bought and is also known as the “initial charge”.

EXIT CHARGE

A charge levied on redemption of units/shares in place of or in combination with an entry charge. This is also known as a “redemption charge”. Please note that Aviva Investors collective investment funds do not currently have exit charges.

FTSE® ALL SHARE INDEX*

An index that measures the performance of the shares of all companies listed on the London Stock Exchange.

FTSE® 100 INDEX*

An index that measures the performance of the shares of the 100 largest companies listed on the London Stock Exchange. It measures the daily share price performance of those 100 firms.

FTSE® 250 INDEX*

The FTSE 250 measures the performance of the shares of the 250 largest companies listed on the London Stock Exchange not included in the FTSE 100 index.

FTSE® EUROPEAN INDEX SERIES*

These measure the performance of companies resident and incorporated in Europe. They are comprised of three real-time tradable indices, which are designed for trading of derivatives, index-tracking funds, exchange traded funds and performance benchmarks. All indices are calculated and published in euros.

* All rights vest in the relevant London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”) which owns the Index.

**FTSE®** is a trade mark(s) of the relevant LSE Group company and is used by any other LSE Group company under licence.

EXIT CHARGE

A charge levied on redemption of units/shares in place of or in combination with an entry charge. This is also known as a “redemption charge”. Please note that Aviva Investors collective investment funds do not currently have exit charges.

**FTSE®** is a trade mark(s) of the relevant LSE Group company and is used by any other LSE Group company under licence.

FUND AIM

This is a brief statement to explain what the fund intends to do and how the fund manager hopes to achieve this.

FUND INFORMATION

Benchmark: The performance of a fund is often compared with a benchmark or a performance indicator. A benchmark can be an index, combination of indices, hypothetical fund, or peer group universe. When a fund is managed against a specified benchmark, it aims to match or outperform this benchmark. Only a few of our funds are managed against a benchmark. These include the Aviva Investors UK Index Tracking Fund and the Aviva Investors International Index Tracking Fund.

Distribution yield: This reflects the amount that is expected to be distributed over the next year as a percentage of the share price of the fund on the date shown. It does not include the deduction of entry charges and is the gross return before tax on distributions. You may be subject to further tax on your distributions. The yield is not guaranteed.

Fund launch date: The date that the fund was opened.

Fund size: The total value of the assets managed within the fund.

Historic yield: This reflects the distributions declared over the past year as a percentage of the share/unit price on the date shown. The reported yield does not include entry charges and you may be subject to further tax on your distributions. If a portion of the fund’s expenses are charged to capital, this has the effect of increasing the distributions for the year and constraining the fund’s capital performance to an equivalent extent. This is calculated by looking at the income the fund has paid over the last year and dividing it by the current price.

For example:

Income paid by each unit/share over the last year: 4.2p.

Current price of each unit/share: 100p.

Historic yield = 4.2 ÷ 100 = 0.042 or 4.2 per cent.

IA sector: Funds are grouped into sectors, so that funds with similar characteristics are classed together. This makes it easier to make a fair comparison of funds. The Investment Association (IA) represents the UK investment management industry. There are over 30 IA sectors, for example UK Equity Income, Property and Specialist sectors. Sectors are mostly based on assets and their geographical focus. You can use sectors to compare funds’ performance and charges.

Ongoing charge: This charge is levied by the fund management company to cover the costs and expenses of managing funds. The ongoing charge excludes any performance fees or portfolio transaction costs, except where paid to the manager, the depositary or trustee and custodian of the funds. Where a fund invests a significant proportion of its assets in other funds it includes the impact of the charges made in those other funds. Charges are normally deducted on a daily basis and reflected in the price of the units/shares. This means that you will not see them shown on your statement and do not need to pay for them separately.

Underlying yield: This reflects the annualised income net of expenses of the fund as a percentage of the share price of the fund on the date shown. It does not include the deduction of entry charges and is the gross return before tax on distributions.

Note: The distribution yield is higher than the underlying yield where a portion of the fund’s expenses are charged to capital. This has the effect of increasing the distribution(s) for the year and constraining the fund’s capital performance by an equivalent extent.
**FUND MANAGER**

The fund manager decides when and where to invest the money pooled from the investors in the fund. Their decisions and management of the fund are governed by the investment objective and investment policy of the fund as set out in the Prospectus.

**FUND MANAGER REPORT**

This is a brief view from the fund manager of reasons behind the recent performance of the fund, plus the outlook for possible market and economic conditions that may affect the fund.

**HEDGE - AS IN “TO HEDGE” A POSITION**

Making an investment to reduce the risk of adverse price movements in an asset is known as a hedge. Normally, a hedge consists of taking an offsetting position in a related asset.

**HIGH-YIELD BONDS**

These bonds generally have a higher risk of issuer default than bonds of a higher credit rating (see Credit Quality). Because of this risk however, the yield on these bonds is typically higher.

**INCOME SHARES/UNITS**

These are shares or units where income is paid out (or reinvested in buying additional shares or units).

This type of unit/share typically attracts investors looking for income rather than capital appreciation.

**INVESTMENT**

Investments can include equities, bonds, property or other assets, whether owned directly or through an investment fund. For instance, shares/units you have bought from us are investments.

**LONG (OR LONG POSITION)**

This is a position held by a fund, which can increase in value if the underlying asset rises in value. Exposure to long positions are used when there is an expectation that the asset will rise in value.

**MARKET CAPITALISATION**

The company size, or market capitalisation, is determined by the total current value of the company's shares. If the fund holds equities (shares) then this chart shows the size bands (£) of the companies in which the fund invests.

**MID TO MID**

This is a classification of the pricing for a single-priced fund. A mid price is the price between the best price of the sellers of the shares and the best price of the buyers. It represents the average of the current buying and selling prices being quoted. In some cases, the mid price will be rounded up or down to the nearest valid tradable price on the exchange system for convenience purposes and therefore will not be the exact average. Mid to mid means the performance has been calculated on a like-for-like basis.

**PERFORMANCE**

**Past performance:** The chart/table in the factsheets shows the performance of the fund in percentage terms over the last three months, six months, year, three years and five years (or since the launch of the fund if that is less than five years) compared with its IA sector.

Please note past performance is not a guide to the future. The past performance shown in our factsheets is net of ongoing charges but doesn’t take into account any entry or exit charges.

**Quartile rank:** This is the rank of the fund that is sometimes displayed with the fund’s performance. This is a measure of how well a fund has performed against all other funds within its IA sector. Quartile rankings are compiled by sorting the funds by performance over a specified time period.

Funds in the top 25 per cent performance bracket are assigned a quartile ranking of one, the next 25 per cent are assigned a ranking of two, the next 25 per cent are given a three and the bottom 25 per cent are assigned a ranking of four.

**Year on year performance:** This displays the performance of the fund in percentage terms, often over the last five years, with the performance split into separate one-year periods. The periods run up to the latest calendar quarter end.

**PRIMARY SHARE CLASS**

All share classes are allocated to IA sectors but only one share class is listed for performance comparison. This share class is known as the primary share class. Only primary share classes can show a quartile ranking.

**PROPERTY SECTORS**

If the fund holds properties then this chart shows the type of properties in which the fund invests. This may include retail, offices and industrial properties.

**RATINGS**

There are several independent companies who monitor funds, provide ratings and give awards to top performing funds or fund managers.

**Adviser centre ratings** are used to help advisers with their investment processes and their assessments of fund suitability. The funds featured within The Adviser Centre appear on one of the following three lists: R = Recommended, E = Established, P = Positive Watch.

**Morningstar Analyst Rating™** ratings are awarded to funds which consistently produce the returns they set out to deliver, and Morningstar Analyst Rating™ believes will continue to do so. The ratings are as follows: Gold = Exceptional, Silver = Very good, Bronze = Good.

**Rayner Spencer Mills Research (RSMR Group)** ratings are given to funds that are believed to have reached the required standard to be the best in their sector by the rating agency RSMR Group. These funds may have different methods of investing but all have produced good performance backed up by a defined and understandable process. RSMR ratings don’t have grades.

**Square Mile** ratings are based on qualitative research designed to offer advisers a solid foundation for client investment propositions and recommendations.

The ratings are as follows:

A (lowest) – AAA (highest);
R = recommended; P+ = positive prospect.
RISK SUMMARY

This is a summary of key risks that apply when investing in the fund. Further information about these risks can be found in the Key Investor Information Document and Prospectus. Copies in English can be obtained free of charge from our website www.avivainvestors.com or you can order copies by contacting us on 0800 051 2003*

*Calls to this number may be recorded for training and monitoring purposes, and to comply with applicable law and regulations. Calls are free from UK landlines and mobiles.

SECTOR ALLOCATION/BREAKDOWN

This shows in which industries the assets in the fund are allocated. Examples include: Financials, Healthcare and Telecommunications. Negative allocations are short positions which can increase in value if the underlying asset falls in value. Short positions are used when there is an expectation that the asset will fall in value.

SHARE CLASS

Some funds subdivide their shares into classes or groups to designate their special characteristics. Funds that have more than one share class usually identify each class with an alphabetic or numeric marker, such as “Class A” and “Class B” shares or “Class 1” and “Class 2” shares. Different share classes within the same fund can typically have different entry/exit charges and minimum investment levels.

SHORT (OR SHORT POSITION)

This is a position not “owned” by the fund, which can increase in value if the underlying asset falls in value. Exposure to short positions are gained through the use of derivatives.

TOP 10 FUNDS

This section lists the ten largest sub-funds, by value that the fund holds.

TOP 10 HOLDINGS

Some funds invest in hundreds of different companies. This section shows the ten largest assets, by value that the fund holds. Where percentages are shown, these show how much of the total fund is invested in this asset.