Aviva Investors Manager of Manager ICVC (ICVC 2)

Short Report

For the six months ended 31 January 2012

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Aviva Investors UK Focus Fund

Investment Objective

Long term capital appreciation.

Investment Policy

Selective investment principally in UK equities based on price and prospects of above average earnings growth. There may also be limited investment in global bond markets from time to time.

Risk Profile

The Fund principally invests in the UK equity market and movements in the UK equity markets will affect fund performance.

Fund Manager's Report

The Fund* returned -1.7 per cent net of fees over the six months to the end of January 2012, which was ahead of the average return of -3.2 per cent from the IMA** UK All Companies sector. The Fund underperformed its FTSE® All-Share index benchmark.

This was a turbulent six months for the UK equity market which fell sharply over the summer as weaker economic releases from the US triggered fears that the global economy could be heading back into recession. Concern about the continuing euro zone sovereign debt crisis also unnerved investors. There was little to celebrate on the domestic front either, with UK economic releases proving lacklustre and several high street retailers falling into administration. However, UK equities found a firmer footing in the last four months of the review period. Supportive factors included better economic news from the US and crucially a sense that a solution to the euro zone sovereign debt crisis could emerge in 2012.

The Fund underperformed its benchmark. This underperformance was in large part the result of two stock specific disappointments. Firstly, concern about reduced spending by its military and shipping clients and its cash intensive business model dragged the shares of satellite communications company Inmarsat lower. Second, a stake in van-hire business Northgate was detrimental, as stocks viewed as being exposed to a slowdown in European economic growth were punished. However, we retain both holdings as we believe both stocks have recovery potential. The main positives over the six-month period were a continued bias away from banking shares. Specifically, the Fund's avoidance of Lloyds Banking Group and Royal Bank of Scotland served it well, as both shares plunged.

Fund Manager's Report (continued)

Otherwise, the Fund's focus on defensive stocks, where profits tend to be less heavily swayed by the state of overall economic activity, was beneficial. Specifically, the holding in Compass, the world's largest catering company, and distribution company Bunzl added value.

Given the unresolved euro zone sovereign debt crisis and the uncertain outlook for the global economy, we expect equity markets to be buffeted by periods of volatility in 2012. While risks remain, better news on the global economy, or substantial progress on a solution to Europe's sovereign debt crisis, could give equities a shot in the arm. Periods of volatility often throw up interesting opportunities and we remain alert to valuations that discount overly-pessimistic scenarios and diverge from long-term value. Taking a longer-term perspective, UK equity valuations look fairly cheap relative to their long-term average. We also find that dividend yields, a financial ratio that shows how much a company pays out in dividends each year relative to its share price, look attractive, given the very low rates of return available on UK government bonds and cash.

February 2012

** Fund performance figures – share class 1, source Lipper Hindsight, net of fees, net income reinvested in GBP*

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

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of 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.

Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

Share class	31.01.12	31.07.11
Share Class 1	1.53%	1.53%
Share Class 2	0.78%	0.78%
Share Class 3	0.43%	0.43%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Accumulation Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 1	1.3513	0.3897
Share Class 2	2.7058	1.1330
Share Class 3	4.0928	1.9063

Net Asset Value – Accumulation Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 1	91.41	92.98	(1.69)%
Share Class 2	147.77	149.74	(1.32)%
Share Class 3	204.41	206.75	(1.13)%

[2] *Valued at bid-market prices.*

Total Return – Accumulation Shares

	Fund[3]	FTSE® All Share[4]
Share Class 1	(1.69)%	(1.52)%
Share Class 2	(1.31)%	(1.52)%
Share Class 3	(1.13)%	(1.52)%

[3] *Source: Aviva Investors (based on midday values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
GlaxoSmithKline	5.21%
BP	4.60%
Compass	4.31%
Sage	4.19%
HSBC	4.19%
Rio Tinto	4.13%
Vodafone	3.94%
British American Tobacco	3.76%
BT	3.75%
Prudential	3.35%

	31.07.11
GlaxoSmithKline	4.70%
Rio Tinto	4.58%
Compass	4.19%
BT	4.02%
BG	3.97%
Vodafone	3.89%
Sage	3.86%
Experian	3.84%
HSBC	3.62%
Anglo American	3.54%

Portfolio Breakdown

	31.01.12	31.07.11
Oil & Gas Producers	11.10%	10.23%
Mining	9.11%	9.67%
Travel & Leisure	6.96%	6.86%
Banks	5.81%	3.62%
Pharmaceuticals & Biotechnology	5.21%	4.70%
Mobile Telecommunications	4.74%	5.79%
Media	4.74%	5.48%
Software & Computer Services	4.61%	6.87%
Support Services	4.24%	4.71%
General Industrials	3.87%	3.58%
Tobacco	3.76%	2.06%
Other Sectors	25.09%	29.31%
Total Investments	89.24%	92.88%
Net Other Assets	10.76%	7.12%
Net Assets	100.00%	100.00%

Share Price Record – Accumulation shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 1	2007	94.26	81.70
	2008	85.90	47.04
	2009	75.38	43.32
	2010	91.13	71.91
	2011	97.68	78.86
	2012**	92.71	89.64
Class 2	2007	147.13	127.79
	2008	134.72	74.35
	2009	119.96	68.72
	2010	146.11	114.54
	2011	157.24	127.18
	2012**	149.86	144.84
Class 3	2007	200.00	173.59
	2008	183.56	101.73
	2009	164.76	94.12
	2010	201.31	157.40
	2011	217.06	175.72
	2012**	207.29	200.30

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Accumulation shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 1	2007	0.7173	8.48
	2008	1.6948	20.04
	2009	1.4285	16.89
	2010	1.5157	17.92
	2011	1.4930	17.65
	2012*	1.3513	15.98
Class 2	2007	2.0832	15.81
	2008	3.5647	27.06
	2009	2.9129	22.11
	2010	3.2741	24.85
	2011	3.4471	26.17
	2012*	2.7058	20.54
Class 3	2007	3.4527	47.70
	2008	5.5117	39.61
	2009	4.4194	24.61
	2010	5.1050	30.15
	2011	5.4725	31.85
	2012*	4.0928	22.88

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® All Share[6] %
2007		
Share Class 1	3.90	5.30
Share Class 2	4.70	5.30
Share Class 3	5.20	5.30
2008		
Share Class 1	(36.60)	(29.90)
Share Class 2	(36.00)	(29.90)
Share Class 3	(35.70)	(29.90)
2009		
Share Class 1	38.40	30.10
Share Class 2	39.10	30.10
Share Class 3	39.60	30.10
2010		
Share Class 1	20.80	14.50
Share Class 2	21.70	14.50
Share Class 3	22.10	14.50
2011		
Share Class 1	(2.24)	(3.46)
Share Class 2	(1.52)	(3.46)
Share Class 3	(1.16)	(3.46)
2012*		
Share Class 1	3.34	2.71
Share Class 2	3.41	2.71
Share Class 3	3.44	2.71

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on midday values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

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

Aviva Investors UK Equity MoM 1 Fund

Investment Objective

Long term capital growth by investing primarily in UK equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

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

Fund Manager's Report

The Fund returned -1.4 per cent over the review period and slightly outperformed the FTSE® All Share index which returned -1.5 per cent.

Performance in the half year was held back by poor relative returns from our investments in companies whose business is correlated to the health and fortunes of the stock markets in particular. The implicated holdings, representing c20% of the Fund value are – Hargreaves Lansdown, London Stock Exchange, Rathbone and Schroders. All underperformed the FTSE® All Share index. Investor confidence in the medium term outlook for financial markets remained depressed over the period and in addition, Schroders generates significant asset flows from Continental Europe, implicating the company in the worries about the Euro and solvency of European financial institutions. We are happy to retain the holdings, for three reasons. First, the actual business performance of the companies is a lot less sensitive to stock market volatility than their share prices signal. Secondly, we believe it is reasonable to take a constructive view about the prospects for Equity, as an asset class, over the next few years. Finally, each is a remarkable business in comparison to peers and in terms of their internal rates of economic return and we view their shares as materially too cheap in relation to these qualities.

There were a number of capital market trends or corporate events which have relevance for our portfolios into 2012 and beyond.

1. Diageo enjoyed a storming close to the year, ending up 19 per cent, at its own all-time high. Diageo's brands can offer access to real, inflation-plus growth in cash flows and a 3 per cent current dividend stream.

Fund Manager's Report (continued)

2. We own some of the UK's 2.5 per cent Consolidated Loan Stock in the Lindsell Train Investment Trust. That irredeemable gilt outpaced not only gold, but Diageo too, closing the year up a startling 25 per cent in capital terms, to a price of 68p, the highest price in over 50 years. At 68p, the gilt's running annual yield to infinity is 3.7 per cent gross.

This extraordinarily low yield matters for Lindsell Train, because we tend to value Sterling equity cash flows against it.

When the discount rate has fallen as low as it has, then there is scope for extreme valuations. Bond yields under 4 per cent suggest that investors believe returns on mainstream asset classes will be low. The corollary is that high returns or high secular growth rates on exceptional investments could become extraordinarily highly valued. Bond yields this low could engender "bubble" valuations. The emergence of a global cohort of exceptional companies valued at exceptional valuations seems quite plausible.

3. 2011 turned out to be a better year for Investment Banking (IB) activity than might have been deduced from that news. Bloomberg's global initial placing offer (IPO) ticker closed on December 30th on 2424 new issues worldwide, up 13 on last year. At £12.6bn the value of new floats in London alone was up 27 per cent. Meanwhile deals, the life-blood of the IB industry and a prime indicator of the animal spirits of the corporate sector, were up again in 2011. Bloomberg monitored 27,723 corporate transactions around the world, with an aggregate value of $2.23 trillion – these counts up 5 per cent and 4 per cent respectively over 2010 totals.

We watch deal volumes for what they tell us about corporate confidence and to identify where we are, early or late, in bull or bear market. For equity investors the stock market cycle matters a lot more than the economic cycle – stock markets often go up during recessions. The fact that deals were up in 2011 and that, for instance, the FT All-Share Index was only down 3 per cent, despite everything the bears could throw at it, suggests that the stock market cycle is still pointing upwards. Or so we hope.

4. Two of those 27,723 transactions took place in the UK in late 2011 and really took us aback.

First, Heineken's purchase of a collection of over 900 freehold, but tenanted pubs from RBS. This is a substantial parcel of assets, commanding a £420 million tag and when combined with the existing estate, establishes Heineken as one of the biggest pub owners in the UK. As the company itself remarked, it's a statement of confidence in the "Great British Pub", a species whose days some regard as numbered. What's more, at £460,000 per outlet, the valuation makes the stock market ratings of the similar collections of pubs (Fullers, Greene King, Marstons and Youngs) look cheap.

Next, we were startled at the price London Stock Exchange (LSE) was prepared to put on the 50 per cent of FTSE International, the index business, it doesn't already own. That price was £450 million and we wonder whether an implied £900 million is too high a ticket for this asset. The Exchange is clearly enthusiastic to diversify and bulk up – so making itself less digestible. If so, the current market capitalization of the whole group, at £2.1bn, is scarcely double the value of just this, wholly owned subsidiary, one that is likely to make up only c15 per cent of total revenues.

Fund Manager's Report (continued)

In other words, any new investor in LSE is getting the London and Italian exchanges and sundry other highly profitable assets for far less than was apparent before this deal. Our consolation prize, if it turns out LSE has overpaid, is that the vendor was Pearson, cashing up its balance sheet at a time of multiple attractive investment opportunities in its core education business.

5. At the close of the year SAP announced a US acquisition, a deal to buy "cloud computing" concern SuccessFactors Inc for $3.2bn cash, confirming that "The cloud is the core of SAP's future growth..." If "cloud" is the future of a new wave of innovation and global productivity gains, what are London or Frankfurt or Singapore-based portfolio investors going to have to do about it? In our opinion, they will have to do exactly what SAP has just done. They're going to have to invest in the US technology sector, because there's nowhere else to access substantive companies with credible secular tech growth prospects.

For your portfolio we own Fidessa and Sage – both world-class technology companies, in our opinion. We also retain the c19 per cent exposure to UK Media companies, including Pearson. Pan-European Media outperformed the mainstream index in 2011, for the fourth consecutive year. Meanwhile, valuations remain modest by historic standards, while it is easy to see how relative growth rates might be accelerating – because the sector benefits from technology change. Accordingly we expect our Media investments to be an unexpected source of return through 2012

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.03%	1.03%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	1.6514	1.2486

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	153.17	156.84	(2.34)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® All Share[4]
Share Class 2	(1.39)%	(1.52)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Aviva Investors UK Equity MoM 1 Fund (continued)

Top Ten Holdings

	31.01.12
Diageo	9.84%
Unilever	9.77%
Pearson	6.69%
Sage	5.57%
London Stock Exchange	5.46%
Rathbone Brothers	5.03%
Burberry	4.99%
Reed Elsevier	4.95%
Schroders	4.95%
Fidessa	4.93%

	31.07.11
Diageo	9.86%
Unilever	9.42%
Pearson	6.55%
London Stock Exchange	5.92%
Fidessa	5.58%
Burberry	5.41%
Schroders	5.22%
Reed Elsevier	5.06%
Greene King	5.03%
Sage	4.88%

Portfolio Breakdown

	31.01.12	31.07.11
General Financial	20.67%	20.94%
Media	18.94%	17.91%
Beverages	17.59%	18.23%
Travel & Leisure	13.32%	14.34%
Software & Computer Services	10.50%	10.46%
Food Producers	9.77%	9.42%
Personal Goods	4.99%	5.41%
Industrial Engineering	1.54%	1.64%
Banks	0.20%	0.40%
Total Investments	97.52%	98.75%
Net Other Assets	2.48%	1.25%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	152.13	130.84
	2008	137.88	80.77
	2009	121.45	79.33
	2010	155.10	117.31
	2011	166.33	137.76
	2012**	157.18	151.28

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	2.6874	19.40
	2008	3.2925	23.77
	2009	3.0198	21.80
	2010	2.8714	20.73
	2011	2.9814	21.53
	2012*	1.6514	11.92

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® All Share[6] %
2007		
Share Class 2	1.30	5.30
2008		
Share Class 2	(30.70)	(29.90)
2009		
Share Class 2	36.10	30.10
2010		
Share Class 2	30.10	14.50
2011		
Share Class 2	(0.59)	(3.46)
2012*		
Share Class 2	2.92	2.71

* *Up to 31 January 2012.*
[5] *Source: Aviva Investors (based on 2pm values).*
[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors UK Equity MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors UK Equity MoM 2 Fund

Investment Objective

Long term capital growth by investing primarily in UK equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

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

Fund Manager's Report

Fund Performance and Portfolio Activity

Over the 6 months to 31 January 2012 the portfolio returned -0.01 per cent, outperforming the FTSE® All Share which returned -1.5 per cent over the same period.

Stock selection was positive over the period. The biggest positive contributor to performance was Autonomy, which designs sophisticated search software for corporate and government customers. It announced an agreed takeover by Hewlett Packard in America. In a way we are quite saddened to see the back of such an interesting growth company, but the large 65 per cent premium was sufficient compensation to overcome our emotions: we think we are selling at a level which more than captures its future prospects.

Rightmove the UK property portal was also a positive contributor. We made some reductions to the large holding in Rightmove in November 2011. We still think this business has the unusual and attractive combination of good growth prospects, high levels of profitability and a deeply entrenched competitive position, but the rapid rise in the share price has at least now gone some way to recognise these qualities. Besides, it's pleasing that there are several other interesting contenders for funds within the portfolio. For example, we added some more to Aveva, which provides software used in the design and build of oil and industrial plants and other large capital projects. Subject to a reasonably healthy operating environment for its large customers, particularly in the oil related areas, we believe that Aveva could grow for many years from its currently small base. Performance was also helped by our avoidance of UK retail banks which continue to have a torrid time.

Fund Manager's Report (continued)

Fund Performance and Portfolio Activity (continued)

Less positive was the poor share price performance of Homeserve, which provides domestic insurance for plumbing and heating repairs. Problems in its UK sales activities led to the company temporarily suspending its marketing activities, just as the important pre-winter selling season arrived. The near-term financial impact, whilst unhelpful, is quite manageable and there is a clear action plan to resolve the issues. As yet, the long-term reputational impact on Homeserve in relation to its customer base, utility company partners and the regulator is unclear and therefore under close scrutiny by us.

In what we hope is an unjustified sharp reversal of its recent fortunes, the share price of the online fashion retailer ASOS also did us no favours in the 6 month period under review. The company reported a slowing of its previously stellar rate of expansion in the domestic UK market. In the context of what has clearly been a challenging period of weak demand for UK retailers our view is that this is far from calamitous. In any case, any disappointment in the UK has been offset by the rapid expansion overseas, which now accounts for over half the total business. It will of course depend on successful execution, but the potential for ASOS to build a very large business in Europe, Australia and especially in America is huge and we remain excited by its prospects. As usual when faced with a rapid share price decline, we always worry that the market might know something we don't, but our long-term enthusiasm was enough to allow us to overcome our anxiety and buy some more during the period.

Outlook

Because many of us live and work close to the 'market noise' there is, as usual, the danger that we become consumed by the incessant coverage of crisis summits and political wrangling within Europe. There are plenty of other interesting and arguably more important trends at play elsewhere. The pattern in America is still one of continued, albeit bumpy, recovery and in fact most of the very recent evidence around consumer sentiment and even in the housing market is surprisingly good. Elsewhere the Chinese authorities may have more to do to grind down the high end property speculators, but the underlying economy seems robust enough to take this medicine and the potent combination of urbanisation, education and productivity should continue to drive the spectacular long term growth trend. We are hopefully not blind to the fact that the overhang of debt and unemployment in many western economies will continue to throw up risks and structural headwinds but, seeking comfort from the fact that over half the world continues to grow at an impressive rate, the portfolio remains skewed to international growth companies.

In our judgement most of those companies are well positioned within their industries, and we hope and expect that they will continue to prosper in the years ahead. A glance at pedestrian historic equity market returns might highlight how frustrating a place it has been to invest money over the past decade, but that compression of valuations on some fantastic businesses leaves us even more optimistic about the future.

Fund Manager's Report (continued)

Outlook (continued)

We hope we are suitably paranoid of the dangers of naivety and are conscious that our investments cannot operate in a bubble sheltered from some potentially important macro developments. Nevertheless, from our perspective much of the recent gloomy market commentary has often unhelpfully overshadowed what we felt were decent trading updates and even encouraging conversations with the management of your companies when considering the next few years. That is not to suggest that the portfolio will be immune from the woes of some 'developed' economies but, as ever, we are keen to reiterate that we have little exposure to at least the more obvious areas of current macro uncertainty in Europe while retaining significant exposure to developing countries where long term demand prospects remain bright.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
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31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.03%	1.03%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.8631	0.5578

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	75.83	76.69	(1.12)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® All Share[4]
Share Class 2	(0.01)%	(1.52)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Aviva Investors UK Equity MoM 2 Fund (continued)

Top Ten Holdings

	31.01.12
BG	5.85%
Imperial Tobacco	5.17%
Rightmove	5.15%
BHP Billiton	5.14%
Standard Chartered	5.09%
Johnson Matthey	4.33%
GlaxoSmithKline	4.29%
Diageo	3.96%
Pearson	3.76%
ASOS	3.18%

	31.07.11
BG	5.90%
Rightmove Group	5.86%
BHP Billiton	5.51%
Imperial Tobacco	5.07%
GlaxoSmithKline	4.40%
Standard Chartered	4.34%
Johnson Matthey	4.00%
Diageo	3.72%
Pearson	3.21%
Schroders Non-Voting	3.19%

Portfolio Breakdown

	31.01.12	31.07.11
Media	11.38%	11.08%
Mining	10.20%	10.51%
Support Services	8.30%	9.27%
Oil & Gas Producers	7.54%	7.53%
Pharmaceuticals & Biotechnology	6.23%	6.31%
Beverages	5.81%	5.56%
Financial Services	5.28%	6.31%
Tobacco	5.17%	5.07%
Software & Computer Services	5.15%	6.12%
Banks	5.09%	4.34%
Other Sectors	28.08%	26.87%
Total Investments	98.23%	98.97%
Net Other Assets	1.77%	1.03%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	144.90	114.60
	2008	119.30	56.29
	2009	74.41	50.78
	2010	78.04	66.30
	2011	82.18	64.89
	2012**	78.32	73.59

** Valued at mid-market prices.*
*** Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	3.4955	25.18
	2008	4.7361	34.11
	2009	2.8431	20.48
	2010	1.7521	12.62
	2011	1.5477	11.15
	2012*	0.8631	6.22

** Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® All Share[6] %
2007		
Share Class 2	(12.10)	5.30
2008		
Share Class 2	(43.60)	(29.90)
2009		
Share Class 2	23.20	30.10
2010		
Share Class 2	6.30	14.50
2011		
Share Class 2	(4.03)	(3.46)
2012*		
Share Class 2	6.05	2.71

** Up to 31 January 2012.*
[5] Source: Aviva Investors (based on 2pm values).
[6] Source: Lipper Hindsight (based on close of business values).

The value of an investment in the Aviva Investors UK Equity MoM 2 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors UK Equity MoM 3 Fund

Investment Objective

Long term capital growth by investing primarily in UK equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

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

Fund Manager's Report

Portfolio Performance

For the six months to January 2012 the portfolio outperformed the FTSE® All-Share Index, returning -0.32 per cent versus the benchmark's return of -1.52 per cent.

Attribution

Signet's good performance and large weighting made it our largest positive contributor to performance. Our continued caution towards the valuations in the mining sector also served us well over the six months and GlaxoSmithKline's better-than-average drug pipeline helped it to outperform.

On the downside, our investment in Cable & Wireless Worldwide proved negative. We purchased the shares following their separation from Cable & Wireless Communications. Our thesis was that the second largest player in the UK corporate telecommunications market was finally 'turning a corner' and would soon generate increased profitability and cash. However, the recovery did not materialise and profit warnings, admissions of under-spending on capital expenditure and management departures proved a nasty cocktail, and the shares fell heavily.

We have completed detailed analysis of our decision to purchase Cable & Wireless Worldwide to search for any mistakes we made, but do not have precise conclusions. We have considered whether we asked too much of the capital expenditure-hungry telecommunications market or whether we under-estimated the significant change from voice to data in the fast-moving telecommunications industry.

Fund Manager's Report (continued)

Attribution (continued)

We also considered the possibility that the company was run poorly, focusing on short-term share price performance at the cost of productive long-term investment (although capital expenditure has been high, much appears to have been wasted). Probably the largest error we made was to assume a successful turnaround for the company despite its reputation as a perennial disappointer. Given our time again, we may have waited for greater proof that this had changed.

Portfolio Performance

Our exposure to building-related stocks SIG and Grafton was also quite painful over the year, although it should be stressed that it follows two years of very strong performance from the stocks. Investors lost heart as building activity in Western economies remained weak. We added to our positions as the shares discounted an indefinite continuation of the current conditions; construction-related activity is now very low and surely must ultimately recover. The companies' balance sheets are strong enough to withstand the current trading malaise and when the good times return we think much higher levels of profitability can be generated.

Avon Products disappointed throughout the year as earnings were continually shy of analysts' forecasts. Although the company management preferred to blame this on competition in the Brazilian and US markets, our belief is that the company has scored a number of 'own-goals' and consequently its margins are well below that of its closest competitors. A new Chief Financial Officer has been appointed and will soon be joined by a new Chief Executive. We hope this could presage a turnaround in the company's fortunes.

Outlook

As always, our strategy remains bottom up, looking for out of favour, cheap stocks (on normalised earnings). Given the relative strength of corporate earnings and still fairly full normalised valuations, we have chosen to apply this strategy patiently. However, there do seem to be more profit warnings around (consensus forecasts in Europe have been falling fairly rapidly), which gives us confidence that opportunities are increasing.

The portfolio remains fairly concentrated and two themes dominate. Firstly, we own a number of very large companies such as Unilever, GlaxoSmithKline, Royal Dutch Shell, BAT, and AstraZeneca, which are attractively priced, offer good dividend yields and have strong balance sheets. These defensives have had a poor start to 2012 as investor bullishness has encouraged them to look in more exciting places for their returns. We have to concede that a number of stocks do look more attractively valued (at least superficially) – we simply believe 'spot' forecasts may not be the most useful numbers to use in this exercise.

We are still attracted to companies more sensitive to the economic cycle. The attractions of these cyclicals are highlighted by the favoured holding periods of typical investors. Most investors are concerned about the potential for double dips and earnings downgrades. We, however, believe that these companies (such as Kingspan, Signet) are very cheap on recovered earnings even if these are not generated for five years. Many investors, somewhat perversely, may agree they are cheap shares; they simply believe we are too early with our interest.

Fund Manager's Report (continued)

Portfolio activity

Purchases

During the six months to 31 January 2012 we initiated three small positions in Rentokil Initial, Psion, and Invensys. We would have liked to have purchased more Invensys and Rentokil, but market strength moved them up quickly and significantly clear of our, fairly mean, buying prices.

Rentokil Initial is a highly diversified provider of business services, although in our view only two of the group's activities make a significant positive contribution to the bottom line. However, trading at just 8x EBIT (earnings before interest and taxes) if City Link's losses are excluded,we believe it looks too cheap and the eponymous pest control arm remains a valuable business.

Psion is a manufacturer of rugged mobile device, which we believe has a strong balance sheet with net cash, and a credible market position in a strangely fragmented market. It has now started to market its exciting new range of products that offer the prospect of substantial market share gains. We believe that it is very cheap on medium-term prospects with its survival secure and the required development spend largely complete.

Invensys is a global technology group supplying solutions, software, services, and equipment to businesses. We believe the shares are cheap following a profits warning at the start of the 2012. The warning focused on some contracts that had been incorrectly priced, thus raising fears with investors that this was merely the first 'cockroach'. The valuation, however, allowed for this.

In addition we continued to top up our existing holdings as we see value – notably Cable & Wireless Worldwide, CRH, and SIG.

Sales

During the six months period we sold out of our position in Filtrona. The stock had performed strongly, partly due to the appointment of a new Chief Executive Officer, and we were happy to take profits.

We also reduced our position in Home Retail over the last month of the period. We have become increasingly concerned that Home Retail cannot compete with the supermarkets and internet retailers due to its burden of upward-only leasehold property costs. In our view the balance sheet is still strong, but cash balances are now declining and we think we should reduce our exposure before the group resorts to measures such as securitising its debtor book.

February 2012

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of 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.

Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.01%	1.07%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	1.3288	0.7921

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	98.93	100.58	(1.64)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® All Share[4]
Share Class 2	(0.32)%	(1.52)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Aviva Investors UK Equity MoM 3 Fund (continued)

Top Ten Holdings

	31.01.12
GlaxoSmithKline	8.47%
Royal Dutch Shell 'B'	8.39%
HSBC	7.02%
Unilever	5.56%
British American Tobacco	5.48%
Signet Jewelers	4.73%
Vodafone	4.54%
BT	4.37%
AstraZeneca	4.18%
Travis Perkins	3.74%

	31.07.11
Royal Dutch Shell 'B'	8.17%
GlaxoSmithKline	8.08%
HSBC	7.78%
Unilever	5.19%
British American Tobacco	5.16%
BT	5.01%
Vodafone	4.88%
Signet Jewelers	4.54%
AstraZeneca	3.97%
BP	3.60%

Portfolio Breakdown

	31.01.12	31.07.11
Pharmaceuticals & Biotechnology	14.50%	13.66%
Oil & Gas Producers	11.13%	11.77%
Support Services	9.42%	8.88%
Tobacco	7.29%	6.80%
Banks	7.02%	7.78%
Food Producers	5.56%	5.19%
General Retailers	5.54%	5.78%
Fixed Line Telecommunications	5.22%	6.40%
Construction & Materials	4.91%	3.92%
Mobile Telecommunications	4.54%	4.88%
Other Sectors	20.06%	23.15%
Total Investments	95.19%	98.21%
Net Other Assets	4.81%	1.79%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	137.83	118.20
	2008	125.53	61.82
	2009	93.15	53.81
	2010	102.50	84.98
	2011	107.71	89.01
	2012**	101.62	99.43

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	2.3104	17.72
	2008	3.3972	26.05
	2009	2.5898	19.86
	2010	2.1628	16.59
	2011	2.1862	16.77
	2012*	1.3288	10.19

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® All Share[6] %
2007		
Share Class 2	(1.70)	5.30
2008		
Share Class 2	(41.20)	(29.90)
2009		
Share Class 2	36.10	30.10
2010		
Share Class 2	11.90	14.50
2011		
Share Class 2	(0.41)	(3.46)
2012*		
Share Class 2	1.68	2.71

* *Up to 31 January 2012.*
[5] *Source: Aviva Investors (based on 2pm values).*
[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors UK Equity MoM 3 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors UK Equity MoM 5 Fund

Investment Objective

Long term capital growth by investing primarily in UK equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the UK. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

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

Fund Manager's Report

Environment

The FTSE® All-Share index finished the period 1.5 per cent lower, but volatility was the defining theme of the six months under review. Over the first half of the period, the Index experienced its largest quarterly fall since 2002. The underlying sources of the market's turmoil were Euro-zone sovereign debt fears, stagnant domestic economic conditions and worries over the future direction of growth. Global economic events exerted a malignant influence: in particular, news that the US had lost its coveted S&P AAA credit rating. European leaders did agree further financial aid for Greece, but the time they took to finalise the details, together with the absence of a lasting resolution, did little to calm investors' nerves. During the second half of the period, UK equities staged a rebound, inspired largely by expectations of a more concerted political effort toward the Euro-zone's difficulties. Markets also rallied after six major central banks took co-ordinated action to improve the liquidity of the global financial system by making it easier for banks to get US dollars if they needed them. On the same day, China's central bank, anxious to minimise a slowdown in economic growth, cut reserve requirements for its banks for the first time since 2008. There was, though, little change in the health of the UK economy, which remained frail. GDP forecasts were again revised down, to 0.9 per cent in 2011 and 0.7 per cent in 2012, with a warning of further deterioration should the difficulties in Europe persist. A decline in CPI inflation from 5.0 per cent to 4.8 per cent in November was widely perceived to be the start of a protracted downward slide toward the Bank of England's 2 per cent target.

Activities

In the period, we increased our holding in Associated British Foods, believing the firm would see upgrades to its earnings. Its sugar business had performed well as a result of strong commodity prices, while weaker cotton prices were expected to help margins at Primark, its retail business. We started a position in Talk Talk Telecom, and increased our holding in BT, as we continued to see evidence of rational pricing in the fixed-line market. We also increased our stake in Bellway. In spite of the housebuilder's historically low transaction levels, we became increasingly confident that it would expand its margins. Toward the end of the period, we built a stake in Rolls Royce, whose stock remained attractively valued even after the firm's strong recent performance.

Fund Manager's Report (continued)

Activities (continued)

We reduced our holding in Spectris, reflecting our slightly lower conviction on the firm's future trading; and in Royal Dutch Shell, where weak demand has affected the selling price of refined oil. The holding in Michael Page was sold amid the deteriorating outlook for employment. We also sold out of Northgate following a meeting with management that suggested that very low activity levels may force the van-hire firm to make more and deeper cuts in its Spanish business.

Performance

The Fund returned -3.4 per cent underperforming the FTSE® All-Share index which returned -1.5 per cent. On the downside, the holding in SThree was negatively affected by developments in investment banking that heightened fears about staffing levels, particularly in financial services IT, which is relatively important to the firm. Elsewhere, the holdings in Bodycote, Cookson, IMI and Spectris were subject to aggressive sell-offs that were driven by investor sentiment rather than stock-specific concerns. An overweight position in Imagination Technologies was the largest positive contributor to performance. The company, which is responsible for the technology behind 3D graphics for mobile phones and other devices, announced very strong results. Moreover, the information technology sector fared relatively well during the early part of the period, particularly those companies where growth is reasonably assured regardless of volatility in the broader economy. Stagecoach was another strong contributor, with a management roadshow toward the end of the year yielding a positive and confident view of future earnings from the majority of its businesses. Performance against the benchmark also benefited from a zero-weighting in Tesco, which issued a profits warning in January.

Outlook

Although balance sheets remain strong and valuations low, swings in macroeconomic sentiment continue to be the key driver of the UK equity market. In particular, investors are focused on the health of the consumer in the US and the UK, which is being buffeted by high unemployment, static wages, commodity price inflation and the restricted availability of credit. Some of these factors, though, are starting to abate. While downgrades to corporate earnings are modestly outstripping upgrades, valuations are close to historic lows.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.03%	1.03%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	1.6280	0.7413

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	119.56	125.50	(4.73)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® All Share[4]
Share Class 2	(3.41)%	(1.52)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Royal Dutch Shell 'B'	8.01%
BP	5.53%
GlaxoSmithKline	4.63%
Vodafone	4.62%
HSBC	4.22%
Rio Tinto	4.14%
BG	2.68%
BHP Billiton	2.55%
Standard Chartered	2.55%
Anglo American	2.30%

	31.07.11
Royal Dutch Shell 'B'	8.02%
HSBC	5.25%
BP	4.59%
GlaxoSmithKline	4.46%
Rio Tinto	4.45%
Vodafone	4.15%
BG	2.91%
Xstrata	2.66%
GKN	2.45%
Legal & General	1.98%

Portfolio Breakdown

	31.01.12	31.07.11
Oil & Gas Producers	19.11%	18.20%
Mining	11.62%	12.08%
Banks	9.90%	9.63%
Pharmaceuticals & Biotechnology	5.99%	5.86%
Industrial Engineering	4.99%	5.80%
Mobile Telecommunications	4.62%	4.15%
Life Insurance	4.10%	3.50%
Travel & Leisure	3.94%	3.87%
Tobacco	2.82%	2.06%
Automobiles & Parts	2.21%	2.45%
Other Sectors	29.31%	32.13%
Total Investments	98.61%	99.73%
Net Other Assets	1.39%	0.27%
Net Assets	100.00%	100.00%

Aviva Investors UK Equity MoM 5 Fund (continued)

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	157.48	136.07
	2008	154.70	79.68
	2009	115.90	79.46
	2010	129.04	101.66
	2011	134.49	102.15
	2012**	123.27	116.84

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	2.5489	17.85
	2008	3.2937	23.06
	2009	3.2937	23.06
	2010	2.1663	15.17
	2011	2.1859	15.31
	2012*	1.6280	11.40

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® All Share[6] %
2007		
Share Class 2	3.90	5.30
2008		
Share Class 2	(33.00)	(29.90)
2009		
Share Class 2	27.30	30.10
2010		
Share Class 2	13.00	14.50
2011		
Share Class 2	(8.30)	(3.46)
2012*		
Share Class 2	5.20	2.71

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors UK Equity MoM 5 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors US Equity MoM 1 Fund

Investment Objective

Long term capital growth by investing primarily in US equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the US. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

The Fund will invest principally in the US equity markets and movements in the US equity markets and currency will affect fund performance.

Fund Manager's Report

Review of Investment Process

INTECH's mathematical investment process is designed to determine potentially more efficient equity weightings of the securities in the benchmark index, utilizing a specific mathematical optimization and disciplined rebalancing routine. Rather than trying to predict the future direction of stock prices, the process seeks to use the volatility and correlation characteristics of stocks to construct portfolios with the potential to produce returns in excess of the benchmark at benchmark-like levels of risk.

The investment process begins with the stocks in the benchmark index. The process runs a stock screen which eliminates stocks that are too expensive to trade. Within specific risk constraints, INTECH's mathematical process attempts to identify stocks that have high volatility relative to the index, and stocks with low correlation to one another. Once the stocks are identified and the portfolio is constructed, it is then rebalanced and re-optimized on a regular basis. Built-in controls and oversight by the portfolio management team provide for monitoring and reporting of risk and return within client guidelines.

Performance Attribution

INTECH's investment process differs from traditional processes that build portfolios based on forecasts of individual stock, sector, or factor alphas. Consequently, traditional fundamental attribution methodologies are unlikely to yield meaningful insights into either sources of long-term alpha or short-term tracking error within INTECH's strategy.

Fund Manager's Report (continued)

Performance Attribution (continued)

INTECH focuses its performance attribution and analysis on measures that are meaningful to its relative volatility capture strategy. In particular, INTECH's analysis focuses on whether the process is operating normally in its forecast of stocks relative volatilities and correlations. In general, INTECH's short-term relative performance can be attributed to trends in the stocks it overweights compared to those it underweights, measured relative to the benchmark.

Positive trending occurs when the proportion of the overweighted stocks with a positive relative return is above that of the underweights. Negative trending occurs when the proportion of the overweighted stocks with a positive relative return is below that of the underweights. Because INTECH's process does not forecast the direction of stock prices, the overweighted stocks and underweighted stocks are expected to beat the benchmark in approximately equal proportions over time, and INTECH's process is expected to generate approximately its targeted relative return. Short-term deviations from these equal proportions are typically associated with short-term deviations from targeted relative returns.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.03%	1.03%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.6616	0.5204

Net Asset Value – Income shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	134.66	128.55	4.75%

[2] *Valued at bid-market prices.*

Total Return – Income shares

	Fund[3]	S&P 500[4]
Share Class 2	5.42%	2.71%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Exxon Mobil	4.11%
Apple	2.72%
IBM	2.62%
AT&T	2.21%
Chevron	2.01%
General Electric	1.44%
Pfizer	1.35%
Philip Morris International	1.28%
Johnson & Johnson	1.28%
Procter & Gamble	1.14%

	31.07.11
Exxon Mobil	3.62%
Apple	2.30%
IBM	2.02%
AT&T	1.93%
Chevron	1.83%
General Electric	1.55%
Procter & Gamble	1.33%
Johnson & Johnson	1.32%
Microsoft	1.15%
Coca-Cola	1.15%

Portfolio Breakdown

	31.01.12	31.07.11
United States of America	97.33%	96.71%
Ireland; Republic of	1.44%	1.09%
Bermuda	0.61%	0.93%
Switzerland	0.26%	0.45%
Total Investments	99.64%	99.18%
Net Other Assets	0.36%	0.82%
Net Assets	100.00%	100.00%

Share Price Record – Income shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	119.85	107.06
	2008	117.26	79.96
	2009	112.44	77.21
	2010	130.79	106.41
	2011	137.82	110.64
	2012**	137.66	132.27

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	0.3639	3.27
	2008	0.4927	4.42
	2009	1.1596	10.41
	2010	0.6320	5.67
	2011	0.9858	8.85
	2012*	0.6616	5.94

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	S&P 500[6] %
2007		
Share Class 2	3.80	5.90
2008		
Share Class 2	(15.00)	(15.40)
2009		
Share Class 2	13.20	16.20
2010		
Share Class 2	18.20	18.90
2011		
Share Class 2	3.65	2.11
2012*		
Share Class 2	1.65	4.48

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors US Equity MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors Euro Equity MoM 1 Fund

Investment Objective

Long term capital growth by investing primarily in European equities (excluding UK).

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in Europe (excluding UK). Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

The Fund will invest primarily in the European equity markets and movements in the European equity markets and currency fluctuations will affect fund performance.

Fund Manager's Report

Market Review

Continental European markets recorded a double digit fall (in sterling terms) over the six-months to 31 January 2012.

Continental European equities (company shares) fell sharply in July, August and September as sovereign debt issues escalated and fears of a new global recession spread. During this period equity markets reacted negatively to news that yields on 10 year Italian and Spanish bonds had reached record highs as European crisis reached its nadir. Investors became exasperated, as European politicians continued to muddle through the crisis with no apparent solution or agreement in sight.

However, a turning point was reached in October when European bank recapitalisation, 'haircuts' for Greek bondholders and the leveraging of the European Financial Stability Fund (EFSF) were agreed upon. Fears over the stability of the financial sector were eased in late November, as six major central banks, including the European Central Bank (ECB), announced a coordinated measure to ease dollar funding pressures. Considerable gains were the first month of the New Year. The Eurozone crisis has appeared to ease, as the take-up of the European Central Bank (ECB)'s €489bn three year Long Term Refinancing Operation (LTRO) encouraged banks to buy sovereign debt, lowering bond yields across the continent, and in Italy and Spain in particular.

Health care and oil & gas were the strongest performing sectors, while financials was the worst performing sector. All European markets, with the exception of Ireland, posted losses over the period.

Portfolio Review

The portfolio clearly outperformed the FTSE® Europe ex-UK Index over the period, returning -7.8 per cent against benchmark return of -12.1 per cent, defending capital strongly in the down markets and participating in the rising market during the past 3 months. Performance benefited from our relatively defensive positioning, as well as good stock selection within basic materials and consumer goods. Our underweight in financials also helped. Our stock selection in consumer services was the biggest negative drag on relative performance.

An overweight in Anheuser-Busch InBev was our best performing position for the period. The brewer's share price rose firmly in November after reporting good third quarter results, despite challenging conditions in some of its territories.

Fund Manager's Report (continued)

Portfolio Review (continued)

Ryanair's third quarter results, reported at the end of January, beat expectations as it performed well in terms of both yield and costs, with the latter possibly helped by better weather than during the same period last year. Ryanair was also supported at the beginning of the period by a share buyback programme.

We benefitted from not holding Bayer in 2011. Bayer's share price weakened significantly, making it attractively valued and we subsequently purchased it during January.

BNP Paribas was one of worst performing positions due to worries over its exposure to sovereign debt (particularly Italian), we continue to hold the bank as we believe it has better prospects than many of its competitors.

Sky Deutschland, suffered a decline in its share price over the second half of 2011 and hurt performance. There were concerns over bidding for the rights to the Bundesliga (the German football league) and around the need for a rights issue. We take a different view on these factors and have made no changes to our position and it performed well in January as subscription acquisition rates improved.

An overweight holding in Siemens also hurt relative performance.

Outlook

How the current situation develops in the Eurozone and what the end game will be depends as much on politics as it does economics. In the short-term, this is likely to continue to make European equity markets volatile, though market reaction to recent successful bond auctions and liquidity measures has been encouraging. In the long-term, the structural changes, deregulation and a new sense of fiscal discipline should make the Eurozone more efficient and productive.

In our view geopolitical risks are still elevated and the risk attached to the economic cycle turning negative is worrying, despite the recent rally in share prices. However, at present, we believe valuations and stock specific opportunities still look attractive in many areas, and the corporate sectors cash flow and balance sheet looks compelling in an uncertain world.

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.07%	1.06%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.0105	0.1411

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	128.16	139.00	(7.80)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® World Europe (ex UK)[4]
Share Class 2	(7.80)%	(12.08)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Sanofi-Aventis	4.96%
Novartis	4.81%
ING Group	4.00%
Bayer	3.44%
Nestle	3.40%
BNP Paribas	3.21%
Christian Dior	3.03%
AXA	2.93%
Total	2.72%
SAP	2.71%

	31.07.11
Novartis	5.43%
Sanofi-Aventis	4.62%
Christian Dior	3.43%
Siemens	3.33%
BNP Paribas	3.32%
ING	2.98%
Anheuser-Busch InBev	2.90%
Bayerische Motoren Werke	2.90%
Danone	2.85%
Total	2.82%

Portfolio Breakdown

	31.01.12	31.07.11
France	29.30%	30.63%
Germany	18.31%	15.90%
Switzerland	12.92%	12.80%
Netherlands	7.34%	5.02%
Italy	5.49%	6.41%
Spain	4.65%	5.21%
Belgium	4.08%	4.29%
Sweden	4.02%	2.73%
Norway	3.35%	2.62%
Finland	2.80%	3.20%
Other Countries	6.95%	8.58%
Total Investments	99.21%	97.39%
Net Other Assets	0.79%	2.61%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	158.79	136.78
	2008	159.93	97.55
	2009	145.18	91.22
	2010	145.63	119.89
	2011	155.54	108.98
	2012**	129.99	121.39

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	1.8419	13.13
	2008	2.6422	18.84
	2009	3.1323	22.33
	2010	2.2090	15.75
	2011	2.6241	18.71
	2012*	0.0105	0.07

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® World Europe (ex UK)[6] %
2007		
Share Class 2	15.00	15.70
2008		
Share Class 2	(21.10)	(24.00)
2009		
Share Class 2	17.20	20.10
2010		
Share Class 2	3.20	5.80
2011		
Share Class 2	(13.03)	(14.71)
2012*		
Share Class 2	6.04	4.27

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors Euro Equity MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors Euro Equity MoM 2 Fund

Investment Objective

Long term capital growth by investing primarily in European equities (excluding UK).

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in Europe (excluding UK). Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

The Fund will invest primarily in the European equity markets and movements in the European equity markets and currency fluctuations will affect fund performance.

Fund Manager's Report

	31/7/11 – 31/1/12
Fund (GBP)	-10.3%
FTSE® Europe ex-UK Index (GBP)	-12.1%
Excess return	1.8%

The period under review was totally dominated by the crisis that engulfed the Eurozone economies. The portfolio's return was ahead of the benchmark return but negative in absolute terms. The Fund was correctly underweight the financial and utility sectors during the period which were the worst performing sectors. Our holdings in the oil and gas sector performed well, as did our more defensive consumer names. Our top performing stocks came from a wide range of industries: Publicis (global advertising), adidas (sportswear), Shell (oil) and SAP (software) all performed well.

If anyone in early 2011 had written the script of what actually unfolded during the year they would scarcely have been believed. The crisis shook the Eurozone countries to their foundations as the very cohesion and existence of the project looked on the brink of collapse. Many global investors, notably US institutional funds, voted with their feet and disinvested heavily from Europe's equity markets.

Some sense of order and stability was restored towards the end of the year as new governments were installed in Italy and Spain, and a draft framework for better governance of the euro going forward was agreed in December. The move by the European Central Bank to make unlimited funding available to banks headed off the risk of a liquidity crisis in early 2012. At the time of writing, the sense of crisis has receded but the structural problems of the Eurozone are just as deep as they were.

Fund Manager's Report (continued)

An extended period of austerity is in prospect in most countries and the economies will be very weak (or worse) in 2012.

We aim to own companies whose business models we believe are resilient to the weak spots in the European economies, not reliant on governments for their revenues and who face the stronger parts of the world. The US economy appears to be improving and China's locomotive remains very robust. These better areas of the world should offset the austerity – generated weakness that will inevitably be seen in Europe in 2012. We own global blue chip companies and pay a great deal of attention to their balance sheets, cashflow and organic growth rates. Despite the crisis, most European non-financial companies looks to be in robust good health with credit ratings, in many cases, above those of sovereign governments.

During the period under review, the portfolio was fully invested (with sub-5% cash levels at all times) and had no currency hedges – both decisions in compliance with the investment guidelines.

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.08%	1.07%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.0000	0.0000

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	127.01	141.45	(10.21)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® World Europe (ex UK)[4]
Share Class 2	(10.26)%	(12.08)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Sanofi-Aventis	5.31%
Novartis	4.57%
SAP	4.48%
Anheuser-Busch InBev	4.45%
Henkel	4.23%
Publicis	4.22%
Adidas	3.94%
Telefonica	3.40%
Umicore	3.32%
Atos	3.27%

	31.07.11
Galp Energia	4.02%
Novartis	3.89%
Adidas	3.65%
Henkel	3.64%
Sanofi - Aventis	3.35%
Deutsche Bank	3.31%
Atos	3.25%
Metro	3.01%
Publicis	2.91%
LVMH Moet Hennessy Louis Vuitton	2.90%

Portfolio Breakdown

	31.01.12	31.07.11
France	33.92%	28.48%
Germany	23.45%	28.40%
Switzerland	9.34%	8.82%
Spain	9.62%	7.47%
Belgium	7.77%	4.15%
Netherlands	3.25%	3.60%
Portugal	3.19%	4.02%
Denmark	2.92%	2.19%
Ireland; Republic of	1.97%	2.05%
Finland	0.00%	1.67%
Italy	0.00%	3.66%
Total Investments	95.43%	94.51%
Net Other Assets	4.57%	5.49%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	154.84	131.49
	2008	151.70	92.89
	2009	144.46	92.19
	2010	150.78	123.95
	2011	159.36	113.19
	2012**	128.83	121.73

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	1.7018	12.68
	2008	2.7125	20.21
	2009	2.7231	20.29
	2010	2.4027	17.90
	2011	2.3033	17.16
	2012*	0.0000	0.00

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® World Europe (ex UK)[6] %
2007		
Share Class 2	15.50	15.70
2008		
Share Class 2	(22.40)	(24.00)
2009		
Share Class 2	17.20	20.10
2010		
Share Class 2	6.80	5.80
2011		
Share Class 2	(17.14)	(14.71)
2012*		
Share Class 2	4.87	4.27

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors Euro Equity MoM 2 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors Apac Equity MoM 1 Fund

Investment Objective

Long term capital growth by investing primarily in Asia Pacific equities (excluding Japan).

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in the Asia Pacific region (excluding Japan). Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

The Fund will invest principally in the Asia Pacific Basin (ex Japan) equity markets and movements in these markets and currencies will affect fund performance.

Fund Manager's Report

Market Review

The Asia Pacific markets returned -5.2 per cent in the 6 months to 31st January 2012 (FTSE® World Asia Pacific ex Japan Equity Index with net income reinvested, source Schroders).

2011 marked a volatile and difficult year for Asian equities as markets declined amidst global macro-economic headwinds. Asian markets were plagued by escalating concerns about the state of public finances in peripheral European countries as well in the US, which had its credit rating downgraded to AA+ by S&P in August. This sparked a sell-down of risk assets across the globe, as pessimism over global growth and concerns over both the ability and willingness of policy-makers to support asset markets weighed on sentiment.

Markets rebounded in October on optimism that the European debt crisis could be contained, positive US data and easing worries of a hard landing in China. However these gains were lost on negative macro news the following month. Asian markets underperformed global indices over the last quarter of 2011. In China the overhang from Local Government Finance Vehicles and the banking sector kept the stock market subdued. In January, equity markets bounced on better than expected news out of the US, a more optimistic outlook on the Euro crisis as well as the view that China would ease further.

Performance Review

For the six months ending 31 January, the Fund returned -2.6 per cent thanks to stock selection gains in South Korea and Taiwan.

In South Korea, positive contributors came from information technology stock Samsung Electronics and not holding industrial stock Hyundai Heavy Industries. In Taiwan, two information technology positions, the overweight in Hon Hai Precision and not holding HTC Corp, also added to performance. On the other hand, the overweight positions in selected China stocks detracted from performance. Financial stock Poly (Hong Kong) Investments and consumer staples stock China Mengniu Dairy were the biggest detractors. Not holding Li & Fung Ltd in Hong Kong offset some gains over the period.

Fund Manager's Report (continued)

Market Outlook and Investment Strategy

Asian markets have traded up closer to fair value at the start of 2012. The global outlook remains uncertain and volatility is expected to remain elevated. Earnings expectations still remain somewhat elevated and there remains further risk of downgrades.

Asian governments have started to provide stimulus for markets and the expectation is that this will continue. China is expected to continue to ease but a flood of liquidity is not expected. While fears of a cyclical slowdown in China may put some investors off the region, the longer term trend of stronger economic growth driven by urbanisation, industrialisation and demographics will continue to unfold across Asia over the next two decades.

One of the fallouts of a slowdown in the outlook for global growth is that commodity prices are likely to pull back and, as Asia is a net importer of commodities, it will be a beneficiary. As a result, monetary tightening is likely to ease and, should the global environment deteriorate, Asia is in a strong position to withstand a further slowdown as authorities across the region still have tools to stimulate their economies.

Following last year's turmoil, 2012 may prove an interesting time to find opportunities in the market. Valuations have now reached levels that have historically been a good buying environment. However, with fear overriding other emotions, short-term performance is difficult to call. The Manager is therefore focusing on companies with internally generated cash flows, which would help shield them from short-term turbulence emanating from the global economy. Longer term, the Manager is confident that from current market levels there is good potential to make significant gains in Asia.

As at the end of January 2012, China was the largest overweight in the portfolio as the valuations are attractive after the recent share price correction and the government still has ammunition to implement counter-cyclical measures to mitigate external shocks. The portfolio is overweight industrials, a catchall sector that includes many of the domestic growth companies where the Manager sees value. Utilities continue to be the biggest underweight on valuation grounds. The largest holdings were Jardine Matheson, Hyundai Motor, Hon Hai Precision and Samsung Electronics.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.32%	1.31%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.7115	0.7403

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	172.66	180.84	(4.52)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® World Asia Pacific (ex Japan)[4]
Share Class 2	(2.58)%	(5.16)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Samsung Electronics	5.71%
BHP Billiton	4.30%
Hyundai Motor	3.63%
Jardine Matheson	3.23%
Hon Hai Precision	3.21%
Industrial & Commercial Bank of China	2.66%
China Mobile	2.30%
National Australia Bank	2.21%
Sun Hung Kai Properties	2.10%
Taiwan Semiconductor	2.03%

	31.07.11
Samsung Electronics	4.99%
BHP Billiton	4.93%
Hyundai Motor	3.43%
Jardine Matheson	3.25%
Industrial & Commercial Bank of China	2.98%
China Mobile	2.56%
Cnooc	2.46%
National Australia Bank	2.23%
Han Hai Precision Industry	2.18%
Taiwan Semiconductor Manufacturing	1.84%

Portfolio Breakdown

	31.01.12	31.07.11
Australia	24.13%	23.18%
South Korea	15.23%	15.29%
Hong Kong	11.09%	11.35%
Taiwan	9.19%	10.17%
China	8.62%	8.49%
Singapore	6.64%	6.05%
Bermuda	6.45%	7.07%
Cayman Islands	5.74%	3.12%
Malaysia	4.36%	4.83%
Indonesia	3.81%	3.66%
Other Countries	4.31%	4.72%
Total Investments	99.57%	97.93%
Net Other Assets	0.43%	2.07%
Net Assets	100.00%	100.00%

Aviva Investors Apac Equity MoM 1 Fund (continued)

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	194.93	133.98
	2008	180.69	92.27
	2009	167.27	107.26
	2010	190.10	150.69
	2011	190.58	143.70
	2012**	174.31	163.57

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	1.3078	9.43
	2008	1.5484	11.17
	2009	2.2328	16.10
	2010	1.0356	7.47
	2011	2.4839	17.91
	2012*	0.7115	5.13

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® World Asia Pacific (ex Japan)[6] %
2007		
Share Class 2	30.10	29.40
2008		
Share Class 2	(32.00)	(31.00)
2009		
Share Class 2	40.90	53.80
2010		
Share Class 2	14.50	24.40
2011		
Share Class 2	(13.59)	(12.93)
2012*		
Share Class 2	7.75	7.72

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors Apac Equity MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors Japan Equity MoM 1 Fund

Investment Objective

Long term capital growth by investing primarily in Japanese equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded on Regulated markets in Japan. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

The Fund will invest primarily in the Japanese equity markets and movements in the Japanese equity markets will affect fund performance.

Fund Manager's Report

The portfolio underperformed the benchmark index by 187 basis points (bp) in base currency terms during the six-month review period to the end of January 2012. While stock selection had an almost neutral effect, the sector allocation strategy detracted from the relative performance.

The FTSE® Japan index fell by 5.19 per cent in sterling and 9.95 per cent in yen terms during the semi-annual review period. Japanese equity prices fell sharply during this period as external economic conditions deteriorated rapidly. Initially, the index plummeted amid widespread concerns over the progression of Europe's sovereign debt crisis and fears of a continued slowdown in the global economy. Later, a series of positive economic indicators from the US helped to mitigate some of the unease about global growth, while an agreement among European governments on measures to tackle the debt crisis also helped the Japanese market to rebound in mid November. Downward revisions to corporate earnings projections by Japanese companies that are suffering amid the protracted strength of the yen also undermined market sentiment despite intervention by the Japanese authorities in the currency markets.

Our sector allocation strategy had a negative impact of 95bp on the relative return. Defensive sectors such as infrastructure and medical outperformed amid the weak market. Consequently, the underweight positions in the infrastructure and medical sectors detracted from the relative performance by 36bp and 20bp, respectively. Stock selection made a positive contribution of 8bp to the relative performance. Within the commodities sector, large steel manufacturers suffered steep falls as their profit margins were squeezed along with weak domestic and overseas demand.

Fund Manager's Report (continued)

Therefore, the commodities sector position generated a positive contribution of 67bp. Stock selection in the communications sector also made a positive contribution of 31bp to the relative return as NTT Docomo, our core mobile phone carrier holding within the sector, outperformed as it offered a stable earnings outlook at a time when market participants tended to be risk averse. However, the positive results were somewhat offset by the negative impact of 63bp from the Infrastructure sector. Our preferred infrastructure holding, Skymark Airlines, was sold off after it had rallied earlier in the year.

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Note: Attribution figures for sector allocation and stock selection outcomes were determined on an equity portfolio basis.

Source: NAMUK and NAMTK (Nomura Asset Management).

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.33%	1.32%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.3369	0.2107

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	107.51	116.17	(7.45)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® World Japan[4]
Share Class 2	(7.06)%	(5.19)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
NTT DoCoMo	3.38%
Sumitomo Mitsui Financial	3.21%
Mitsubishi UFJ Financial	2.96%
Nissan Motor	2.86%
Mitsui	2.84%
Toyota Motor	2.82%
Itochu	2.49%
Orix	2.00%
Hitachi	1.92%
Nippon Telegraph & Telephone	1.59%

	31.07.11
NTT DoCoMo	3.53%
Mitsui	3.44%
Nissan Motor	2.89%
Sumitomo Mitsui Financial	2.76%
Toyota Motor	2.74%
Mitsubishi UFJ Financial	2.55%
Itochu	2.55%
KDDI	2.11%
Orix	2.06%
Hitachi	2.02%

Portfolio Breakdown

	31.01.12	31.07.11
Automobiles & Parts	12.50%	13.76%
Banks	9.16%	8.10%
Industrial Engineering	6.88%	6.25%
Chemicals	6.37%	8.04%
Electronics & Electrical Equipment	6.36%	7.42%
Technology Hardware & Equipment	5.40%	4.15%
Support Services	5.33%	5.99%
Mobile Telecommunications	5.31%	6.34%
Pharmaceuticals & Biotechnology	3.70%	2.84%
General Retailers	3.63%	3.83%
Other Sectors	34.56%	32.55%
Total Investments	99.20%	99.27%
Net Other Assets	0.80%	0.73%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	133.17	111.23
	2008	121.41	80.37
	2009	107.45	82.42
	2010	123.67	102.64
	2011	125.40	100.25
	2012**	108.90	104.93

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	–	–
	2008	0.1254	0.98
	2009	0.6517	5.11
	2010	0.3821	3.00
	2011	0.7038	5.52
	2012*	0.3369	2.64

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® World Japan[6] %
2007		
Share Class 2	(10.30)	(6.40)
2008		
Share Class 2	(7.80)	(1.10)
2009		
Share Class 2	(3.20)	(5.80)
2010		
Share Class 2	21.30	19.00
2011		
Share Class 2	(14.10)	(12.90)
2012*		
Share Class 2	3.35	2.85

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors Japan Equity MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors EM Equity MoM 1 Fund

Investment Objective

Long term capital growth by investing primarily in emerging markets equities.

Investment Policy

The Fund will invest primarily in equity securities listed or traded in Emerging Markets. Limited exposure to other geographic regions may be possible.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: equities or securities with equity characteristics, unlisted transferable securities, convertibles, preference shares, warrants, money market instruments, collective investment schemes and deposits.

Risk Profile

The Fund will invest primarily in Emerging Market equities and movements in these instruments and currencies will affect fund performance.

Fund Manager's Report

Performance Review

The Aviva Investors EM Equity MoM1 Fund returned -0.7 per cent in sterling terms over the six months under review, compared with the MSCI Emerging Markets Index's total return of -10 per cent.

Market Review

Emerging market equities fell during the half year under review as Europe's deepening debt crisis heightened risk aversion. Repeated efforts by European leaders to address the crisis fell short of promises and several of them lost elections. In addition, fresh economic wobbles in the US were compounded by political wrangling that brought the country to the brink of default and led to the subsequent downgrade of its triple-A credit rating. Concerns that monetary tightening in Brazil, China and India would curb already slowing growth prospects weighed on markets further. Towards the period-end, renewed global risk appetite, the US Federal Reserve's pledge to keep interest rates low until 2014 and evidence of a soft landing for the Chinese economy buoyed investor sentiment, but the gains failed to reverse earlier losses.

Portfolio Review

The Fund outperformed the benchmark by a significant 5.75 percentage points, driven mainly by stock selection. Generally our companies with their experienced and capable management as well as strong balance sheets and robust businesses held up well.

Fund Manager's Report (continued)

Portfolio Review (continued)

Among the key contributors at the stock level were Mexican bottler and convenience store operator Femsa, Indonesian conglomerate Astra International and Brazilian tobacco company Souza Cruz; all three delivered healthy results. Brazilian fuels and chemicals distributor Ultrapar also rallied as the company agreed to grant all shareholders equal voting rights and the business continued to perform well.

On the flip side, our holding in the Aberdeen Global – Indian Equity Fund hurt relative performance; it moved in tandem with the broader market as the domestic economy struggled under the combined weight of inflation, a widening current account deficit and policy paralysis. The lack of exposure to Ambev also detracted from performance. The Brazilian beer and beverage maker outperformed the market and consumer stocks on the back of its resilient business and positive growth prospects for 2012, when the country's minimum wage is believed to rise by 14 per cent. Our Turkish bank holdings Akbank and Garanti were dragged down by the difficult operating environment.

In portfolio activity, we initiated a position in South African brewer SABMiller, one of the world's largest brewers, on valuation grounds. It has a stable of highly recognisable brands and is a leader in most of the markets in which it operates.

Outlook

Emerging stockmarkets have made a positive start to 2012 but it is unclear if the current momentum can be maintained. Investors are jittery because Europe is still struggling towards a coherent response to its debt problems, while the outlook for the global economy remains clouded. Both the IMF and the World Bank have downgraded their growth forecasts for the year and warned that an escalation of the debt crisis could derail world growth. Political tensions in the Middle East and North Africa could also disrupt oil supplies and further undermine global prospects. Although developing economies will not be totally immune from such a slowdown, the decline in growth is expected to be more modest; their scope to cut interest rates as inflation eases and for governments to spend on fiscal stimulus should help moderate the impact of a potential fall in external demand.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	1.34%	1.33%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	2.4194	0.3020

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	291.28	294.49	(1.09)%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	MSCI Emerging Markets Index[4]
Share Class 2	(0.70)%	(9.97)%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Aberdeen Global Funds – Indian Equity Z–2 Acc	8.52%
Samsung Electronics	4.58%
Companhia Vale Rio Doce ADR	4.12%
Taiwan Semiconductor	3.87%
China Mobile	3.77%
Petrol Brasileiros	3.50%
Banco Bradesco ADR	3.32%
Astra International	3.22%
Ultrapar Participacoes	3.20%
Petrochina 'H'	2.86%

	31.07.11
Aberdeen Global Funds – Indian Equity Z–2 Acc	9.97%
Companhia Vale Rio Doce ADR	4.28%
Samsung Electronics	4.12%
Taiwan Semiconductor	3.66%
China Mobile	3.47%
Formenta Economico Mexicano ADR	3.41%
Astra International	3.19%
Petrol Brasileiros	3.07%
Banco Bradesco ADR	3.00%
Lukoil ADR	2.78%

Portfolio Breakdown

	31.01.12	31.07.11
Brazil	18.91%	17.64%
India	11.96%	13.55%
Hong Kong	10.50%	10.16%
Mexico	7.58%	8.02%
South Korea	5.94%	5.57%
Thailand	5.72%	6.12%
Taiwan	5.10%	5.11%
Turkey	4.51%	4.77%
South Africa	3.95%	3.84%
Indonesia	3.22%	3.19%
Other Countries	21.86%	21.30%
Total Investments	99.25%	99.27%
Net Other Assets	0.75%	0.73%
Net Assets	100.00%	100.00%

Aviva Investors EM Equity MoM 1 Fund (continued)

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	196.66	149.75
	2008	202.24	114.28
	2009	236.79	125.17
	2010	310.16	221.15
	2011	311.87	249.68
	2012**	295.13	272.23

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	2.1453	13.74
	2008	1.8121	11.61
	2009	2.1115	13.52
	2010	1.9968	12.79
	2011	3.0685	19.65
	2012*	2.4194	15.50

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	MSCI Emerging Markets Index[6] %
2007		
Share Class 2	24.70	38.00
2008		
Share Class 2	(23.70)	(36.30)
2009		
Share Class 2	63.50	61.60
2010		
Share Class 2	33.40	23.50
2011		
Share Class 2	(11.88)	(19.11)
2012*		
Share Class 2	9.24	12.09

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors EM Equity MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors UK Gilts MoM 1 Fund

Investment Objective

To achieve income (with some prospect for long-term capital growth) by investing primarily in UK government fixed interest securities.

Investment Policy

The Fund will invest primarily in UK government fixed interest securities listed or traded on Regulated markets in the UK.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: sterling, gilts, index linked gilts, sterling, US dollar and euro denominated investment grade credit, money market instruments, collective investment schemes and deposits. Investment grade credit is that which has been assigned a credit rating of BBB or higher by Standard & Poors or an equivalent rating assigned by another recognised rating agency. In addition to the instruments detailed above, on an ancillary basis and not exceeding 10% of the value of the scheme property, the Fund may invest in credit which is deemed to be below investment grade.

Risk Profile

The Fund will invest principally in fixed interest securities, and interest-rate fluctuations, spread risk and downgrade risk may affect fund performance.

Fund Manager's Report

Performance

The Fund returned 11.3 per cent over the review period, outperforming its benchmark by 0.7 per cent and producing a return in line with its peer group.

Market Background

UK Government bonds produced positive returns, buoyed by continued quantitative easing, weak domestic economic data and firmer international bond prices. Capital markets focused on the ongoing euro zone debt crisis, which caused significant price volatility in core and peripheral markets during the period.

Unusually, the summer months were particularly volatile as political, economic and financial dramas played out in front of anxious investors. This cautious tone underscored the desire to hold safe-haven sovereign bonds helping UK government bonds, US treasuries and German bunds to perform well. With policymakers seemingly unable to deal with the growing crisis, the huge debt mountains in both Italy and Spain were a cause for concern. Bond prices in these two countries dropped heavily in direct contrast to core markets where prices continued to rise as proceeds from peripheral market sales were re-invested.

Italian government yields (the cost of borrowing) rose above seven per cent for the first time since the inception of the euro – a level deemed to be unsustainable over the long term. With politicians failing to agree, central banks stepped up their rhetoric on both sides of the Atlantic. The Federal Reserve announced additional monetary stimulus by way of 'Operation Twist'; which extended the maturity of the bonds they held following two bouts of quantitative easing, thus lowering longer-dated yields.

Fund Manager's Report (continued)

Market Background (continued)

Unfortunately, aggressive US monetary policy did little to ameliorate the effects of European policy discord. The price difference between French and German bonds widened sharply, as investors became concerned over France's potential obligations towards its embattled domestic banks. Even the previously 'rock-solid' German bond market began to show signs of stress as yields on ten-year UK government bonds fell below that on comparable German debt for the first time since 2009 despite the dire state of the UK government's finances.

Spurred on by a potential debt default and break-up of the euro zone, politicians led by Germany and France initiated emergency talks to negotiate closer fiscal union. With technocratic governments installed in Greece and Italy and a newly-elected government in Spain, politicians were able to leverage their newly won political mandates to move towards an agreement. However, short-term action was required to prevent a collapse of the banking system and the European Central Bank duly obliged.

The UK economy struggled as business and consumer confidence slumped in the wake of the crisis. In an attempt to stimulate moribund growth, the Bank of England voted unanimously in favour of a £75 billion extension to their asset purchase programme declaring that the final scale of the programme will be kept under review.

A raft of poor economic data in the UK and Europe drove UK government bonds prices to record highs, and pushed ratings agencies to downgrade the credit status of the majority of euro zone countries including France, which lost its treasured AAA-status. While the UK retained its top-notch credit rating one of major ratings agencies warned there is no longer any room for fiscal slippage. A message George Osborne would be acutely aware off.

Despite positive steps, the euro zone crisis remains largely unresolved. Portuguese bond prices have fallen dramatically over the last month following news that their outstanding bond issues had been re-rated to 'sub-investment grade' status. While the European Central Bank confirmed its intention to add further liquidity through a second tranche of its 'unlimited' three year loan offer, investors are cognisant that debt is simply being shifted from relatively small balance sheets to a very large one.

It remains a concerning time for many, particularly for those within the euro zone and with volatility, liquidity and political credibility hanging in the balance, it will be interesting to see how things develop over the next six months. We will no doubt continue to witness testing times.

Portfolio Review

Towards the beginning of the period, the Fund favoured neither longer nor shorter-dated maturities as we felt that valuations accurately reflected the economic environment. Instead, we focused on tactical trading. Longer-dated bond holdings were periodically favoured as we looked to take advantage of the flight-to-quality from euro zone markets into UK government bonds. We took profits on a number of occasions and then reverted to a neutral stance.

However, as the macroeconomic situation deteriorated, and the Bank of England embarked on a second round of government bond purchases, we took a strategic position favouring longer-dated bonds over short-dated bonds. We correctly surmised that investors would seek the higher returns available from longer-dated bonds. This position was reduced in early December as we felt the market had moved ahead of itself in a short space of time. We are waiting to re-enter the trade at more attractive levels.

Fund Manager's Report (continued)

Outlook

The direction of markets is highly dependent on a successful resolution to the euro zone crisis and the establishment of a credible debt mechanism. Rather than second guess the outcome, we expect to keep a neutral bias.

We believe developed economies will grow painfully slowly, struggling to reduce their crippling debt overhang. We would favour longer maturity positions should we see a significant drop in prices caused by market volatility.

We expect markets to remain nervous and central banks to remain active. This should create more tactical trading opportunities through both stock selection and new bond issuance.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March
30 April	30 June
31 October	31 December

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	0.78%	0.78%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.5558	0.5546

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	111.92	102.62	9.06%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	FTSE® UK Gilts All Stocks[4]
Share Class 2	10.22%	10.61%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Treasury 3.75% 07/09/21	18.36%
Treasury 2.00% 22/01/16	17.09%
Treasury 5.00% 07/03/12	10.07%
Treasury 4.25% 07/12/40	9.71%
Treasury 1.75% 22/01/17	6.90%
Treasury 4.50% 07/12/42	3.90%
Treasury 4.50% 07/03/13	3.75%
Treasury 4.75% 07/12/30	3.64%
Treasury 3.75% 22/07/52	3.29%
Treasury 5.00% 07/03/25	3.27%

	31.07.11
Treasury 3.75% 07/09/20	14.23%
Treasury 4.75% 07/12/30	12.74%
Treasury 2.25% 07/03/14	11.72%
Treasury 3.25% 07/12/11	10.72%
Treasury 4.25% 07/12/40	9.70%
Treasury 4.00% 07/09/16	7.39%
Treasury 2.00% 22/01/16	6.42%
Treasury 5.00% 07/03/25	6.13%
Treasury 3.75% 07/09/21	5.68%
Treasury 4.25% 07/12/49	4.04%

Portfolio Breakdown

	31.01.12	31.07.11
United Kingdom	99.08%	97.72%
Total Investments	99.08%	97.72%
Net Other Assets	0.92%	2.28%
Net Assets	100.00%	100.00%

Aviva Investors UK Gilts MoM 1 Fund (continued)

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	95.37	91.91
	2008	102.90	90.26
	2009	103.78	96.84
	2010	104.36	96.76
	2011	112.79	96.90
	2012**	113.53	111.33

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	4.5584	46.62
	2008	2.7717	28.35
	2009	2.7323	27.95
	2010	2.3794	24.34
	2011	2.1927	22.43
	2012*	0.4447	4.55

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	FTSE® UK Gilts All Stocks[6] %
2007		
Share Class 2	3.70	5.30
2008		
Share Class 2	12.80	12.80
2009		
Share Class 2	(0.50)	(1.20)
2010		
Share Class 2	5.00	7.20
2011		
Share Class 2	14.81	15.57
2012*		
Share Class 2	(0.18)	0.42

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva investors UK Gilts MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors UK Credit MoM 1 Fund

Investment Objective

To achieve income (with some prospect for longterm capital growth) by investing primarily in UK corporate fixed interest securities.

Investment Policy

The Fund will invest primarily in UK corporate fixed interest securities listed or traded on Regulated Markets in the UK.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: sterling denominated investment grade credit, overseas investment grade credit (hedged), gilts, overseas government bonds (hedged), money market instruments, collective investment schemes and deposits. Investment grade credit is that which has been assigned a credit rating of BBB or higher by Standard & Poors or an equivalent rating assigned by another recognised rating agency. In addition to the instruments detailed above, on an ancillary basis and not exceeding 10% of the value of the scheme property, the Fund may invest in credit which is deemed to be below investment grade.

Risk Profile

Due to a larger proportion of the assets being held in Fixed Income Investments, the risk is based on the broader economic and interest rate environment, and includes interest rate risk and inflation risk. These risks will affect all fixed income investments. However, credit risk, which includes the risk that the issuer will default or be unable to make payments, is specific to issuers and relates to bonds issued by companies.

Fund Manager's Report

The Fund returned 3.9 per cent, outperforming the benchmark iBoxx Sterling Non-Gilts Index return of 3.4 per cent.

Over the period under review, financial markets were swept up in economic and political uncertainty with concerns around the sustainability of the eurozone the single largest issue in global markets. Following a significant sell-off in risk assets witnessed from July as Italy's borrowing costs spiralled dangerously higher, the period under review began on the continued theme of credit weakness and core government bond strength.

This backdrop supported the reduction we had made to the Fund's overall level of credit exposure, which changed to a small underweight position in the third quarter of 2011. Given the overall widening of credit spreads over the six months to the end of January 2012, this positioning helped performance. In particular, we had lowered the Fund's exposure to financial credit before the beginning of August. This move helped to limit the Fund's exposure to the sector's downfall over the period. Additionally, the Fund's relative performance was aided by its limited exposure to paper issued by peripheral European based banks. However, the Fund continued to hold financial debt and some of these holdings experienced meaningful price declines, such as Barclays.

Fund Manager's Report (continued)

During the period we added credit risk very selectively, limiting it to new corporate issuance that offered suitable discounts and well-structured financials at distressed prices. Performance in the financials space improved towards the end of the period. Many banks embarked upon large scale tenders and exchanges for their subordinated debt. Though the attractiveness of the terms being offered varied wildly from bank to bank, which resulted in further significant volatility in prices, these exchanges did improve sentiment towards the sector. Additionally, the European Central Bank took significant steps to help provide support to the European banking system. The central bank announced a three-year long-term refinancing operation (LTRO) in December, which led investors to conclude that the risk of an idiosyncratic bank failure had receded. This helped credit markets rally into the start of 2012, with further support provided by generally positive economic news.

Within the remainder of the Fund's credit profile, we maintained an overweight position in collateralised debt over the period. This sector stood up well in the turbulent market conditions and contributed positively to performance. Bonds that performed particularly well included BAA. Additionally, the market looked favourably on bonds that were secured on the relative safe-haven of UK infrastructure assets and Eversholt (UK train rolling stock owner) and THPA (port operator) were beneficiaries of this.

In addition to the Fund's generally defensive stance, the decision to own gilts instead of sovereign and supranational paper was a further positive, as supranational spreads widened in response to the ongoing uncertainty in Europe. The Fund was broadly neutral duration overall which therefore did not significantly influence performance.

Despite avoiding peripheral European banking names, the Fund did have some exposure to other European based companies. For example, holdings in bonds from Telecom Italia and Telefonica detracted from performance as they were caught up in the general apathy towards bonds issued by companies from southern Europe during the period.

February 2012

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Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March
30 April	30 June
31 October	31 December

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	0.78%	0.78%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.9234	0.8806

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	90.90	89.50	1.56%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	iBoxx £ Non-Gilts[4]
Share Class 2	3.89%	3.38%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Top Ten Holdings

	31.01.12
Treasury 2.75% 22/01/15	4.40%
Treasury 4.50% 07/03/13	3.53%
European Investment Bank 8.75% 25/08/17	2.12%
Treasury 4.25% 07/06/32	1.60%
Treasury 4.00% 07/09/16	1.50%
Nats (En Route) 5.25% Variable 31/03/26	1.39%
ABP Finance 6.25% 14/12/26	1.26%
Treasury 4.75% 07/12/38	1.25%
Network Rail 4.75% 29/11/35	1.24%
European Investment Bank 4.75% 15/10/18	1.16%

	31.07.11
Treasury 2.75% 22/01/15	4.38%
Treasury 4.50% 07/03/13	2.93%
Treasury 4.75% 07/12/38	1.96%
Treasury 6.00% 07/12/28	1.95%
Treasury 4.25% 07/06/32	1.75%
Treasury 4.25% 07/12/55	1.58%
THPA Finance 7.127% 15/03/24	1.04%
Nats (En Route) 5.25% Variable 31/03/26	1.03%
Imperial Tobacco Finance 9% 17/02/22	1.02%
Coventry Building Society 5.875% 28/09/22	1.02%

Portfolio Breakdown

	31.01.12	31.07.11
United Kingdom	73.77%	72.66%
United States of America	4.51%	4.48%
France	4.06%	3.19%
*SNA	4.01%	1.41%
Cayman Islands	2.95%	1.99%
Channel Islands	1.98%	1.94%
Netherlands	1.95%	0.85%
Italy	1.52%	1.42%
Denmark	0.95%	0.78%
Spain	0.91%	0.78%
Other Countries	2.18%	6.08%
Total Investments	98.79%	95.58%
Net Other Assets	1.21%	4.42%
Net Assets	100.00%	100.00%

* *SNA (supra-national agencies) is a sector that does not have a particular national identity such as Development banks and agencies. Such examples are the World Bank and European Investment Bank.*

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	98.34	91.43
	2008	94.03	78.27
	2009	86.76	71.35
	2010	92.83	85.02
	2011	91.22	86.52
	2012**	92.57	90.95

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	4.2949	43.68
	2008	4.1314	42.02
	2009	3.8981	39.64
	2010	3.4974	35.57
	2011	3.2822	33.38
	2012*	0.9234	9.39

* *Up to 31 March 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	iBoxx £ Non-Gilts[6] %
2007		
Share Class 2	0.50	1.80
2008		
Share Class 2	(8.50)	(4.10)
2009		
Share Class 2	13.00	10.80
2010		
Share Class 2	9.00	8.40
2011		
Share Class 2	7.32	6.92
2012*		
Share Class 2	1.49	1.96

* *Up to 31 January 2012.*

[5] *Source: Aviva Investors (based on 2pm values).*

[6] *Source: Lipper Hindsight (based on close of business values).*

The value of an investment in the Aviva Investors UK Credit MoM 1 Fund and any revenue from it can go down as well as up. You may not get back the original amount invested. Past performance is not a guide to future performance.

Aviva Investors Global Agg MoM 1 Fund

Investment Objective

To achieve income (with some prospect for long-term capital growth) by investing primarily in Global fixed interest securities.

Investment Policy

The Fund will invest primarily in Global fixed interest securities listed or traded on Regulated Markets.

The Fund may invest in any of the following financial instruments in order to achieve its investment objective: sterling denominated investment grade credit, overseas investment grade credit (hedged), gilts, overseas government bonds (hedged), money market instruments, collective investment schemes and deposits. Investment grade credit is that which has been assigned a credit rating of BBB or higher by Standard & Poors or an equivalent rating assigned by another recognised rating agency. In addition to the instruments detailed above, on an ancillary basis and not exceeding 10% of the value of the scheme property, the Fund may invest in credit which is deemed to be below investment grade.

Risk Profile

Due to a larger proportion of the assets being held in Fixed Income Investments, the risk is based on the broader economic and interest rate environment, and includes interest rate risk and inflation risk. These risks will affect all fixed income investments. However, credit risk, which includes the risk that the issuer will default or be unable to make payments, is specific to issuers and relates to bonds issued by companies.

Fund Manager's Report

Over the six month period from August 2011 to January 2012, the portfolio outperformed its benchmark index (Barclays Capital Global Aggregate Index, 100% hedged to sterling), returning 2.9 per cent versus a benchmark return of 0.8 per cent.

The general theme of Q3 2011 was one of broad-based risk aversion, increased uncertainty about the global economic outlook and fears of a disorderly Greek default. During the quarter, government bonds rallied, yield curves flattened and equity markets fell sharply. In July 2011, the initial catalysts for the deterioration in sentiment were Spanish and Italian government bond yields moving higher and the market being increasingly aware of the chance of the US losing its AAA debt rating. In late July, EU leaders began to show more determination and leadership to address the issues facing the Euro area. However, the initial optimism surrounding this new package was insufficient to restore market confidence.

Global financial markets experienced major volatility in August. Equity markets fell sharply, while government bond yields in the major markets fell to historic lows. Weak US economic data raised fears that the US could fall back into recession; the sovereign debt crisis in the Euro periphery intensified; uncertainty surrounded the debate in the US Congress regarding the extension of the US Federal debt ceiling; and S&P downgraded the US long-term sovereign debt rating to AA+ from AAA.

Fund Manager's Report (continued)

In the Euro area, confidence in the enhanced European Financial Stability Facility (EFSF) quickly evaporated and fears grew about funding pressures in some European banks with high exposure to peripheral sovereign debt. These worries drew Spain and Italy further into the crisis that had already engulfed the peripheral Euro economies. However, following the summer, optimism began to grow that EU policymakers were preparing a "grand plan" to fix the problems facing the area. Along with better than expected economic data the risk environment improved, in sharp contrast to the doom and gloom at the end of Q3. The main news items at the end of October were the proposals from the EU to write down 50% of Greek debt, a €106bn bank recapitalisation plan and proposals to leverage up the EFSF. The brief relief rally showed just how gloomy the market had become.

However, this rally did not fully extend to the performance of Euro area peripherals. Government bond spreads in Greece, Ireland, Italy, Portugal and Spain continued to widen. French debt also came under increasing pressure given fears of a downgrade. The Bank of England surprised the market with a larger than expected additional £75bn quantitative easing programme to kick start the UK economic recovery

The Japanese authorities intervened in the currency markets once again – selling yen and buying US dollars – in their fourth intervention in just over a year, as the yen rose to its highest levels versus the US dollar since World War 2.

In November, peripheral Euro government spreads continued to widen. Fiscal austerity and bank deleveraging were also driving the Euro area towards recession and this forced the ECB to cut rates by 25bp to 1.25% in early November, and by another 25bp to 1.00% in early December. Market confidence also continued to ebb away that the enhanced EFSF agreed in October would have sufficient firepower to bailout all the peripheral Euro economies facing funding.

As the end of the year approached, market sentiment veered from bearish to bullish in increasingly illiquid markets. The markets were left a little under-whelmed by EU summit pronouncements to tackle the Euro sovereign debt crisis – a fiscal compact with a commitment from Euro-area countries to balance budgets, "automatic" sanctions for countries that fail to meet limits on government deficits and tighter budgetary rules enshrined in national constitutions. Despite this, the credibility gap of the European crisis response pushed the Euro lower.

While the direction of travel in EU fiscal policymaking became more encouraging, short term confidence in the Euro periphery bond markets remained fragile. The ECB lent Euro-area banks nearly €500bn for three years in an attempt to keep credit flowing through the economy and prevent a credit crunch in early 2012. However, the ECB's liquidity measures did little to address the growing recession risks, ongoing bank deleveraging and severely strained government finances. Meanwhile, in the US, the Federal Reserve was marginally more upbeat about the US economy, but hopes were dashed of any hints of additional quantitative easing in the near future.

Fund Manager's Report (continued)

Over the period, the portfolio remained overweight our top-rated countries (Australia, Canada, Core Europe) and underweight our bottom-rated countries (US, Japan, UK). These positions produced generally positive performance contributions overall. The portfolio's currency positioning closely mirrored its country exposure. However, the portfolio's underweight exposure to the US dollar and Japanese yen, which performed strongly in the early part of the period, and its overweight exposure to the Norwegian krone and underweight exposure to the euro, which performed poorly in the latter part of the period, detracted from performance. Overall, credit underperformed government bonds over the period, and overweight exposure to credit, together with a preference for financials, detracted from performance, although this was offset by a preference for more senior tranches of bank capital structures within financials, overweight exposure to globally diversified industrial issuers, and underweight exposure to government-related sectors.

The market consensus for global growth in 2012 has fallen to 3.2% (from 3.6% in 2011), reflecting increased downside growth risks in Europe and anaemic growth in the developed world in general. Major economies are expected to experience sub-trend growth and emerging market economies to have a "soft" landing in 2012. In particular, H2 global growth may in part be supported by the shift to a more stimulatory monetary policy stance (especially in emerging markets). However, major developed economies are more vulnerable to economic shocks than in the past, given their inability to respond with looser fiscal policy. Private sector deleveraging and fiscal consolidation in the developed world will mean a number of years of sub-trend economic growth. Expectations of a protracted period of sub-trend economic growth, a lack of inflationary pressures and ongoing concerns about the sovereign debt crises in the Euro area have pushed back market expectations of rate hikes. Central banks remain the key to sustaining the recovery.

February 2012

Any opinions expressed are those of the fund manager. They should not be viewed as a guarantee of 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.

Fund Facts

Ex-dividend and Distribution Dates

Ex-dividend dates	Distribution dates
31 July	30 September
31 January	31 March
30 April	30 June
31 October	31 December

Total Expense Ratio[1]

	31.01.12	31.07.11
Share Class 2	0.79%	0.80%

[1] *The total expense ratio reflects the total of all costs associated with operating the Fund, including the Authorised Corporate Director's periodic charge, presented as a percentage of the average net assets over the period.*

Revenue Distributions – Income Shares

	Pence per share payable 31.03.12	Pence per share paid 31.03.11
Share Class 2	0.5789	0.6976

Net Asset Value – Income Shares[2]

	Pence per share 31.01.12	Pence per share 31.07.11	Change
Share Class 2	102.24	100.74	1.49%

[2] *Valued at bid-market prices.*

Total Return – Income Shares

	Fund[3]	Barclays Global Aggregate Share[4]
Share Class 2	2.91%	0.82%

[3] *Source: Aviva Investors (based on 2pm values) six months ended 31 January 2012.*

[4] *Source: Lipper Hindsight (based on close of business values) six months ended 31 January 2012.*

Aviva Investors Global Agg MoM 1 Fund (continued)

Top Ten Holdings

	31.01.12
Canada 3.25% 01/06/21	5.84%
Germany 3.25% 04/07/21	3.17%
Canada 3.75% 01/06/19	2.60%
Queensland Treasury 6.25% 15/04/19	2.42%
Rogge Global High Yield Bond Fund	2.35%
Italy 4.75% 01/09/21	2.25%
Germany 0.75% 13/09/13	2.03%
Treasury 4.75% 07/12/38	1.97%
Treasury 1.25% Index Linked 22/11/17	1.83%
Germany 4.75% 04/07/28	1.82%

	31.07.11
Canada 3.25% 01/06/21	5.01%
Korea 5.75% 10/09/18	4.05%
Canada 3.75% 01/06/19	3.62%
Queensland Treasury 6.25% 15/04/19	3.43%
Rogge Global High Yield Bond Fund	3.33%
Asian Development Bank 2.35% 21/06/27	2.95%
Treasury 1.25% Index Linked 22/11/17	2.62%
Germany 4.75% 04/07/28	2.53%
Treasury 4.75% 07/12/38	2.07%
Spain 5.50% 30/04/21	2.01%

Portfolio Breakdown

	31.01.12	31.07.11
United States of America	34.68%	24.37%
Germany	12.74%	6.44%
Canada	12.64%	14.37%
United Kingdom	12.30%	10.36%
Netherlands	6.45%	4.76%
Australia	3.96%	4.68%
Mexico	3.66%	3.26%
Italy	3.62%	1.54%
Sweden	2.71%	2.66%
Ireland; Republic of	2.35%	3.33%
Other Countries	14.91%	24.87%
Total Investments	110.02%	100.64%
Net Other Liabilities	(10.02)%	(0.64)%
Net Assets	100.00%	100.00%

Share Price Record – Income Shares

Share class	Calendar year	Highest price (p)*	Lowest price (p)*
Class 2	2007	98.51	95.24
	2008	100.16	92.38
	2009	100.92	92.95
	2010	104.20	99.77
	2011	103.12	99.38
	2012**	103.01	101.80

* *Valued at mid-market prices.*
** *Up to 31 January 2012.*

Revenue Record – Income Shares

The revenue record table below shows the net distribution rates per calendar year on a payment date basis for an investment made on 2 January 2007.

Share class	Calendar year	Net revenue per share (p)	Per £1,000 invested (£)
Class 2	2007	3.0912	31.40
	2008	3.4908	35.46
	2009	3.0130	30.61
	2010	2.6321	26.74
	2011	2.7164	27.59
	2012*	0.5789	5.88

* *Up to 31 January 2012 (the interim distribution payment date).*

Calendar Year Performance

Total return	Fund[5] %	Barclays Global Aggregate Share[6] %
2007		
Share Class 2	4.00	5.80
2008		
Share Class 2	1.60	7.60
2009		
Share Class 2	8.60	5.30
2010		
Share Class 2	4.80	4.80
2011		
Share Class 2	4.05	5.64
2012*		
Share Class 2	0.98	1.67

* *Up to 31 January 2012.*
[5] *Source: Aviva Investors (based on 2pm values).*
[6] *Source: Lipper Hindsight (based on close of business values).*

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Other Information

More information about the activities and performance of the Aviva Investors Manager of Manager ICVC (ICVC 2) for this and previous periods can be obtained from the Authorised Corporate Director.

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

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

As sub-funds are not legal entities in their own right, if the assets of a sub-fund are insufficient to meet its liabilities, any such shortfall might have to be met from the assets of the other sub-funds of the Company.

The Shareholders are not liable for the debts of the Aviva Investors Manager of Manager ICVC (ICVC 2).

Annual General Meetings

The Company will not be holding Annual General Meetings.

Publication of Prices

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

Report and Financial Statements

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

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

Telephone calls may be recorded for training and monitoring purposes.

Paper Information

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

Other Information

As at 31 January 2012, there was an inadvertant breach of the 5/10/40 rule on the Aviva Investors UK Equity MoM 1 Fund, due to market movements.

On 26 January 2012, the assets of Aviva Investors UK Equity MoM 4 Fund were partially redeemed and the remaining investments were transferred to the Aviva Investors UK Equity MoM 1, 2 and 3 Funds. The Fund will be formally closed as soon as possible.

Company Information

Authorised Corporate Director

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

Aviva Investors UK Fund Services Limited is owned 50% by Aviva Life Holdings UK Limited and 50% by Aviva Investors Holdings Limited.

Aviva Investors UK Fund Services Limited is a member of the Investment Management Association and is authorised and regulated by the Financial Services Authority.

The share capital of Aviva Investors UK Fund Services Limited has been reduced from £24,512,000 to £12,000,000.

Directors of the Authorised Corporate Director

J Clougherty

S Boylan (resigned 21 July 2011)

A Dromer (resigned 29 September 2011)

T Orton

E Gerth

G Boffey

K Moss (resigned 13 March 2012)

P Neville (appointed 29 September 2011)

Administrator and Registrar

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

Authorised and Regulated by the Financial Services Authority.

Investment Manager

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

Aviva Investors Global Services Limited is a wholly owned subsidiary of Aviva plc, a member of the Investment Management Association and is authorised and regulated by the Financial Services Authority.

Prior to 1 October 2011, Close Investments Limited were the investment manager for all funds of the ICVC except the Aviva Investors UK Focus Fund.

Depositary

J P Morgan Trustee and Depositary Company Limited
125 London Wall
London, EC2Y 5AJ

Authorised and Regulated by the Financial Services Authority.

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh, EH2 2DZ

Registered office at:
1 More London Place
London, SE1 2AF

AVIVA INVESTORS

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

If you wish to write to us:

Aviva Investors Administration Office
PO Box 10410
Chelmsford
CM99 1AY

If you wish to call us:

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

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

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

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

Website: www.avivainvestors.co.uk