

Fund objective

To outperform the FTSE World Japan Index by 1.5% p.a. over rolling three year periods, before charges.

Fund manager

Ed Wiltshire

Benchmark

FTSE World Japan Index

Fund size

£6.85 m

No of holdings

156

Launch date

30/11/1991

Further information

www.avivainvestors.com

Fund summary

The Japanese Equity Quant Fund invests solely in Japanese equities. The key decision within the fund is the manager's view on sectors. Having established the desired sector profile the manager undertakes a stock screening process to identify those companies that offer good value within the preferred sectors.

Fund comment

In the hours after the double tragedy of earthquake and tsunami that struck Japan on Friday 11th March analysts concluded that the economy was robust enough to recover fairly quickly. It was only as concern grew regarding the safety of the Fukushima nuclear plant that this view was pessimistically revised. In the end, FTSE Japan fell nearly 7% in sterling terms over the quarter, a distinct recovery from the initial 15% fall in the immediate aftermath.

As is generally the case when shocks hit the market, quantitative processes tend to suffer in an environment where fundamental factors are not driving returns. Only as the market recovered and participants were once more making discerning choices between stocks did the fund recoup the losses incurred in the immediate wake of the disasters. The fund proved remarkably robust to these shocks, ending the quarter over 0.5% ahead of the benchmark. This robustness was partly due to the clear risk constraints that are applied in portfolio construction including broad sector neutrality and taking a large number of relatively small positions.

Inevitably, the performance of individual stocks was bound up with the consequences of the earthquake, with companies involved in nuclear power suffering while those in the construction sector looked to benefit from the reconstruction. Thus the fund was fortunate to be underweight Tokyo Electric Power, the operators of the stricken nuclear power plant, while having a long position in JGC Corp, a constructor of industrial facilities.

Source of market data: Bloomberg

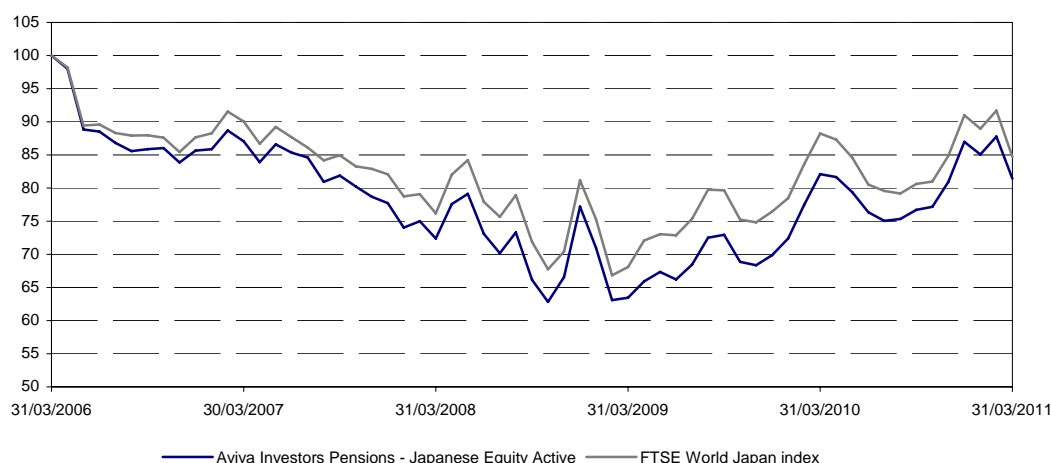
Fund performance (%)

	3 Months	Year To Date	1 Year	Annualised to 31/03/11		
				3 yrs	5 yrs	10 yrs
Fund	-6.4	-6.4	-0.8	4.0	-4.0	0.2
Benchmark	-6.9	-6.9	-4.0	3.6	-3.3	0.4
Relative †	0.5	0.5	3.3	0.4	-0.7	-0.2

Past performance is not a guide to the future.

Source: Aviva Investors, mid to mid, income reinvested, before charges.

Fund performance vs Benchmark (%) 5 years (or since launch)

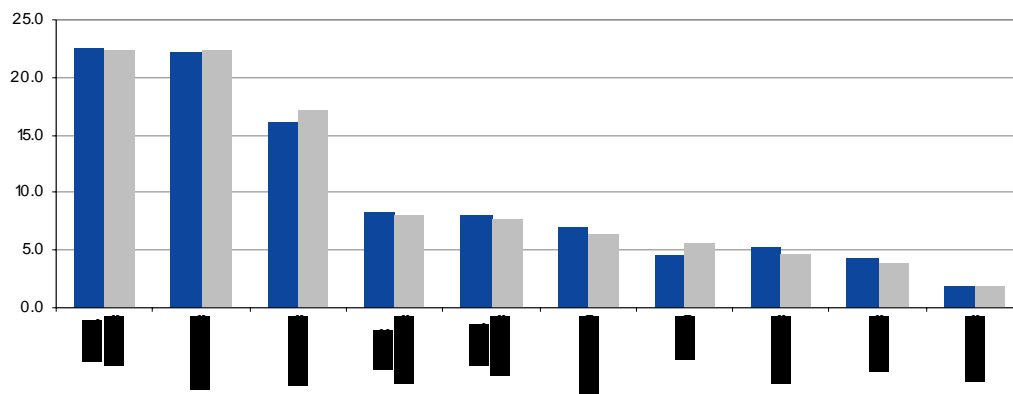


Source : Aviva Investors and Lipper Hindsight – mid to mid, income reinvested, before charges

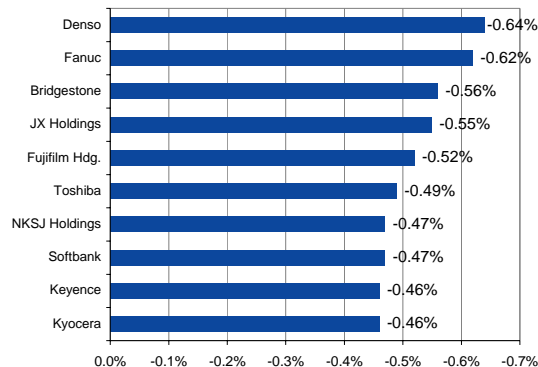
Additional information

Change of Fund Manager on 15th June 2009 from Fukoku Asset Management to Aviva Investors.

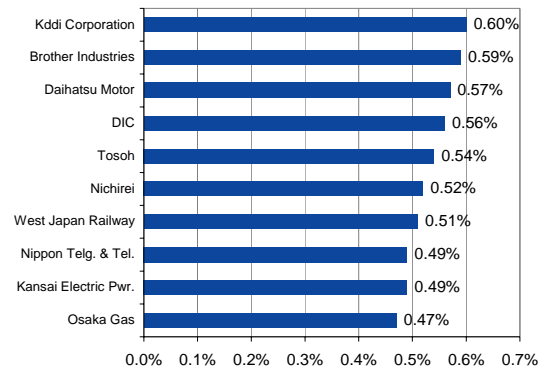
Sector weightings (fund ■ vs benchmark ■)



Top 10 underweights§



Top 10 overweights§



§Fund positions relative to the benchmark

† Performance has been calculated on a geometric relative basis

There are two methods of comparing a fund against a benchmark, the geometric relative or arithmetic, 'simple difference'. Aviva Investors uses the geometric relative. This is a ratio of out/under performance rather than simply the Fund Return less Benchmark Return. We believe this is a more realistic measure of out/underperformance particularly for comparisons between short and long term performance. The different calculations are shown below.

Performance Calculation:

Arithmetic Relative = Fund Performance – Benchmark Performance

Geometric Relative = $[(1 + \text{Fund Return} / 100) / (1 + \text{Benchmark Return} / 100) - 1] * 100$

Aviva Investors Pensions Limited is the company through which the pooled fund contract is written. Any opinions expressed are based on views of Aviva Investors Global Services Limited, the investment manager appointed by Aviva Investors Pensions Limited to manage the funds. The content of this factsheet should not be viewed as indicating any guarantee of return from an investment in the funds nor should any part be construed as a recommendation to invest or to buy and sell stocks. The value of an investment can go down as well as up and investors may not get back their original investment. Further important details on our service, charges, available funds and specific risk warnings are provided in the Key Features document which is available on request.

Aviva Investors Pensions Limited, registered in England No. 1059606. Registered Office: No. 1 Poultry, London EC2R 8EJ. Authorised and regulated in the UK by the Financial Services Authority and a member of the Association of British Insurers.
Contact us at Aviva Investors Pensions Limited, No. 1 Poultry, London EC2R 8EJ. 11/0392/0310711

THIS DATA IS FOR INVESTMENT PROFESSIONALS ONLY. IT IS NOT TO BE VIEWED OR USED WITH RETAIL INVESTORS