

## Fund objective

To outperform the FTSE All-Share Index by 3.0% p.a. over rolling three year periods, before charges

## Fund manager

Trevor Green

## Benchmark

FTSE All-Share Index

## Fund size

£25.02m

## No of holdings

41

## Launch date

26 September 2001

## Further information

[www.avivainvestors.com](http://www.avivainvestors.com)

## Fund summary

The UK Equity Focus Fund\* is a concentrated UK equity portfolio incorporating the “best ideas” of our fund management and corporate research teams. Large positions are developed in those stocks we believe to be the strongest contributors to outperformance in our other UK equity funds. The number of stocks held in the fund is kept at approximately 35 and consequently the fund has a higher risk profile than conventional UK equity funds. Returns are likely to be more volatile than those of the Aviva Investors Pensions - UK Equity Fund, and the fund has a target tracking error of 6.0%.

## Fund comment

The fund outperformed its benchmark in the fourth quarter of 2011. Stock selection added most value, although sector selection was positive too.

The strongest individual contributor was newspaper publisher Mecom. Its shares rose following the sale of its Norwegian division Edda Media to Norway's A-pressen. Also in the media sector an overweight in marketing communications company Aegis Group helped, as its shares bounced back following a weak performance in the third quarter.

Credit rating agency Experian was a strong contributor. Its shares rallied after its interim results showed good growth in its Latin American business and a recovery in North America. A confident outlook statement and consensus earnings upgrades led to renewed enthusiasm for the shares.

This was a volatile period for mining stocks which were under pressure due to worries about the economic outlook. Stock selection in the mining sector was positive thanks to the fund's overweight position in copper producer Xstrata which recovered some lost ground after falling in the third quarter. However, an overweight position in Anglo-American and zero weighting in Antofagasta detracted slightly.

Banks weakened over the quarter amid a sharp rise in their funding costs. The fund benefited from its avoidance of Lloyds Banking Group and RBS as shares in both registered double-digit declines.

Other positives included an underweight in the utilities sector and zero-weightings in British Gas owner Centrica and National Grid.

Source: Aviva Investor/ Bloomberg as at 31 December 2011  
Basis: Mid to mid, Income reinvested, before charge, in Sterling

## Fund performance (%)

	3 Months	Year To Date	1 Year	3 yrs	Annualised 5 yrs	10 yrs
Fund	9.9	-6.5	-6.5	13.3	1.8	6.6
Benchmark	8.4	-3.5	-3.5	12.9	1.2	4.8
Relative †	1.4	-3.2	-3.2	0.3	0.6	1.7

Past performance is not a guide to the future

Source: Aviva Investor/ Lipper Hindsight as at 31 December 2011  
Basis: Mid to mid, Income reinvested, before charge, in Sterling

## Fund performance vs Benchmark (%) 5 years

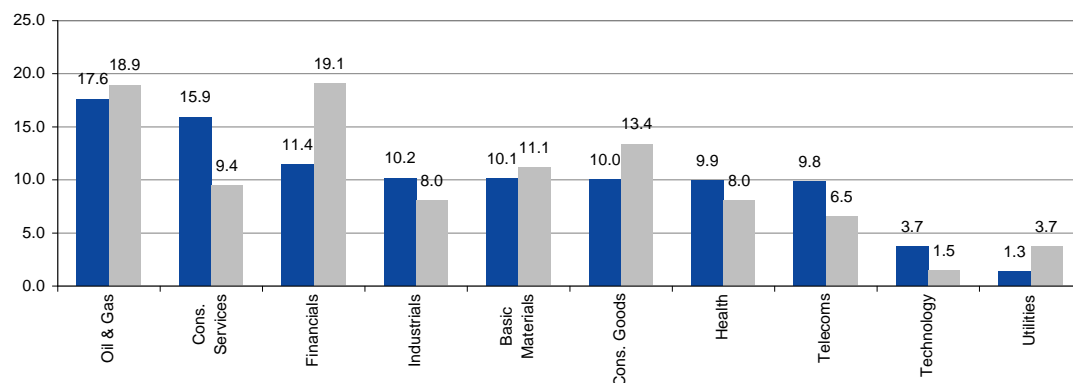


Source: Aviva Investor/ Lipper Hindsight as at 31 December 2011  
Basis: Mid to mid, Income reinvested, before charge, in Sterling

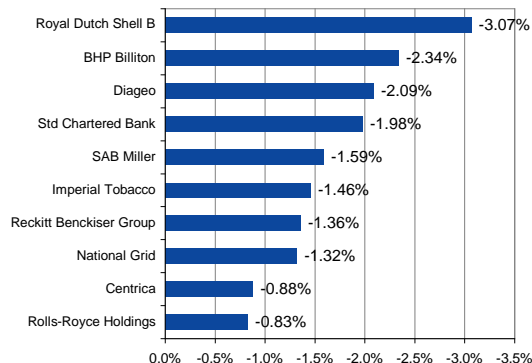
## Additional information

\*As at April 2006, the Specialist UK Equity Fund was renamed the UK Equity Focus Fund.

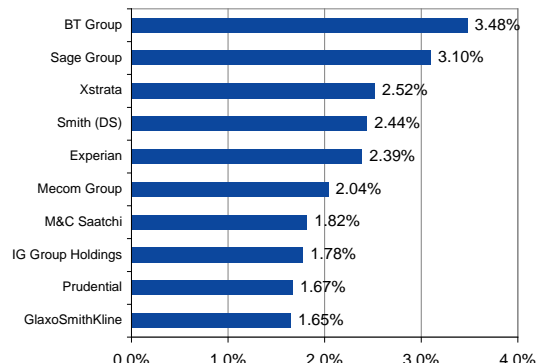
## Sector weightings (fund ■ vs benchmark ■)



## Top 10 underweights§



## Top 10 overweights§



Fund positions relative to the benchmark

Past performance is not a guide to the future

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

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