

Fund objective

To outperform the FTSE All-Share Index by 1.0% p.a. over rolling three year periods, before charges.

Fund manager

Iyad Farah

Benchmark

FTSE All-Share Index

Fund size

£61.54m

Launch date

28 April 2006

Further information

www.avivainvestors.com

Fund summary

The assets of the Fund are invested across the UK equity market using the successful quantitative process developed by Dr Iyad Farah on Aviva Investors' Strategy Team. Our proprietary quantitative model identifies mis-priced UK equities and these results are then reviewed for "sense" by an experienced fund manager before being incorporated into the portfolio.

Fund comment

The UK Quant fund marginally underperformed the benchmark during the quarter. The quarter was characterised by high levels of market volatility in Europe, with substantial swings in investor sentiment between the European summit in October and the sovereign crisis in Italy later in November. On the positive side, the quarter was very constructive in terms of macroeconomic news coming from the US, which proved to be constructive to stocks exposed to that region. Within the broad European theme, bank shares tended to underperform during the quarter, despite their very low valuation levels. Our position in stocks such as Barclays and Lloyds, both trading well below their tangible book value, detracted from performance during the quarter. On the other side, our exposures to broad US themes, and consequent rebound in global growth expectations, performed well. Our overweight's in the Oil and Gas and Materials sectors, which included holdings such as BP and Xstrata, impacted performance positively during the quarter.

Overall, the last quarter was a reflection of what we observed for most of 2011, where stocks associated with higher quality, growth and lower volatility performed well and, conversely, stocks associated with low profitability and distressed valuations tended to underperform.

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	8.5	-3.6	-3.6	13.8	0.7	-
Benchmark	8.4	-3.5	-3.5	12.9	1.2	-
Relative †	0.1	-0.1	-0.1	0.8	-0.5	-

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

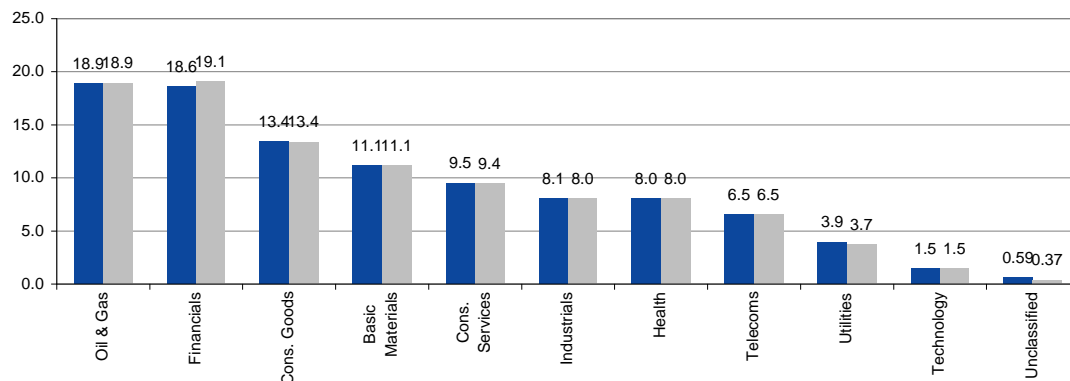
Fund performance vs Benchmark (%) 5 years



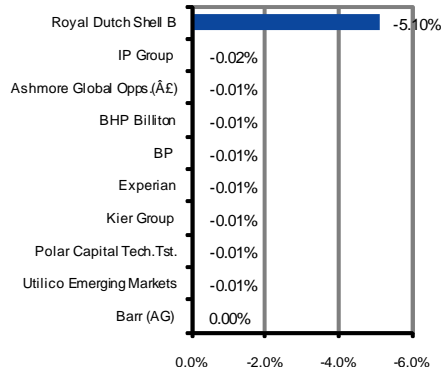
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Additional information

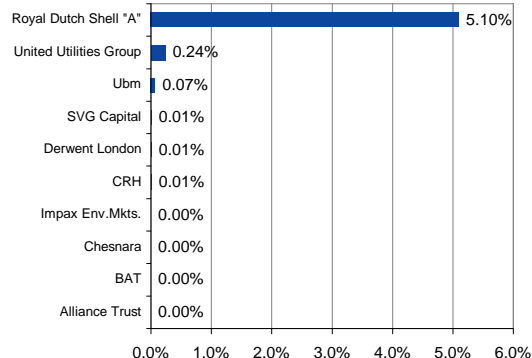
Sector weightings (fund vs benchmark)



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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