

# Guaranteed Fund Series II

## Monthly report

July 2010



The Guaranteed Fund Series II is suitable for investors who are looking for exposure to a portfolio of assets with potential for growth but who also want the security of a guarantee. Aviva Life & Pensions Ireland Limited guarantee that on the sixth anniversary of the investment, the unit price of the fund will not have fallen. As well as this valuable guarantee, the fund offers the opportunity for reasonable growth through exposure to a portfolio actively managed by Aviva Investors.

### Where is the fund invested?

The fund is currently invested in the following three assets:

#### High yield equities

This portfolio invests in approximately 40 blue chip companies that pay a higher dividend than the majority of companies in the market.

#### Bonds

This is a portfolio of predominantly Eurozone Government Bonds. While offering reasonable returns in their own right, traditionally bond markets have risen when equity markets have fallen for a sustained period, thus making them a good asset to diversify the equity market risk.

#### European property development companies

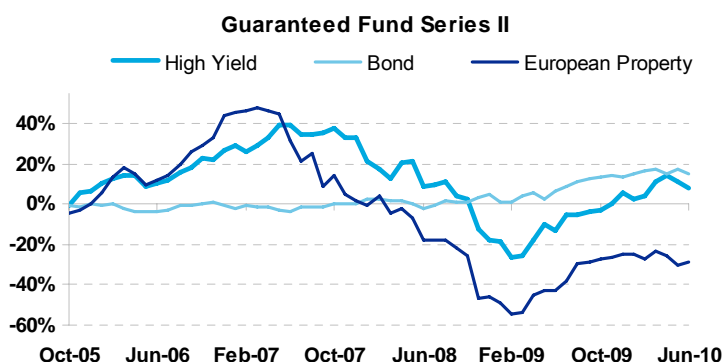
The Aviva European REIT Fund is managed by Aviva Investors real estate team. The fund consists of holdings in over 30 property development companies quoted on European stock markets indices.

### Attention to yield

There is an emphasis on total return (capital return + income return) in the assets we have chosen. All three assets have the potential to offer long-term positive capital returns; equally there will be a significant income portion in the total return.

### Fund performance

Since the fund was launched in August 2005, capital markets have endured mixed fortunes particularly over the past two years. The graph below shows how the various constituent funds have performed.



Source: Aviva Investors, Euro total return performance, gross of fees

Performance to 30 June 2010	1 Month	3 Months	1 Year	3 Years p.a.	Since Launch
Guaranteed Fund Series II SC B	-1.1%	-2.2%	10.5%	-3.6%	7.5%

### Fund distribution

The fund invests in a globally diversified portfolio to reduce the stock and asset specific risk that the investor is exposed to. The asset split is currently:

- 37.2% in High yield equities
- 55.2% in Eurozone bonds
- 7.6% in European property development companies

#### Important Information

This fund is managed by Aviva Investors on behalf of Aviva Life & Pensions Ireland Limited.

**Warning:** The value of an investment and any income from it can go down as well as up. Investors may not get back the original amount invested. Past performance is not a guide to the future. This fund may be affected by changes in currency exchange rates.

Unless stated otherwise any opinions expressed are those of Aviva Investors Global Services Limited (Aviva Investors). They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature.

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