



AVIVA INVESTORS NORTH AMERICA, INC.

August 6, 2012

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This Brochure provides information about the qualifications and business practices of Aviva Investors North America, Inc. ("AINA"). If you have any questions about the contents of this Brochure, please contact us by emailing gina.maggio@avivainvestors.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

AINA is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training. Additional information about AINA also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This section is reserved for any material changes that we have been made to Form ADV Part 2A since the last annual update.

1. AINA is applying minimum fees to certain mandates as identified in Item 5 and has expanded the list of publicly offered strategies in items 7, 8 and I3 to include the following:
 - US Core Aggregate High Quality Fixed Income Strategy
 - US Intermediate Fixed Income Strategy
 - US Short Term Fixed Income Strategy
 - Global Markets Alpha Strategy
 - Convertibles Securities Strategy
 - Global Equity REITs Strategy
 - Short Duration Global High Yield Strategy
2. AINA has registered as a Commodities Trading Adviser (CTA) with the National Futures Association (NFA) as indicated in item 10.
3. AINA revised text associated with Aggregated Orders and Principal and Cross Trades as of August 6, 2012.

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Item 4 Advisory Business

Firm

Aviva Investors North America, Inc. ("AINA") is a wholly owned, direct subsidiary of Aviva USA Corporation, which is a wholly owned indirect subsidiary of Aviva plc, headquartered in the United Kingdom. AINA is the United States member of a group of international affiliated investment advisers collectively referred to as "Aviva Investors." AINA provides investment advisory services for non-affiliated clients and acts as adviser to certain general and separate accounts of Aviva plc affiliates.

AINA was incorporated as AmerUs Capital Management, Inc. in December 1997. The company was acquired by Aviva plc in November 2006 when the name changed to Aviva Capital Management, Inc. and was subsequently re-branded as Aviva Investors North America, Inc. in 2008.

Services

AINA provides investment management services to institutions, and private funds. Any reference to private funds within this ADV is for informational purposes only and is intended to address legally required disclosures about our business practices and conflicts associated with managing private funds. Only qualified investors are able to invest in these funds and they should read the fund's offering memorandum prior to doing so. No reference within this ADV should be viewed as an offer to sell or an offer to buy an interest in private funds.

AINA partners with clients to develop investment solutions and manage strategies by offering fixed income mandates, derivatives, hedge fund alternative investments, liability driven investing, commercial mortgage and real estate strategies among others. AINA provides investment management services guided by investment limitations expressed in client guidelines that dictate the contents of a portfolio. AINA operates in the best interests of each client and follows policies and procedures to satisfy its advisory and fiduciary responsibilities when contracting with clients. Clients may place restrictions on investments that include, but are not limited to, credit quality, duration of assets, industries, specific issuers and other stipulations.

For affiliated and non-affiliated clients, AINA provides investment advisory services that include: portfolio management, research, risk management, security selection, trade execution and settlement, accounting services, and other portfolio related monitoring and reporting. AINA services provided to its insurance affiliates largely parallels the services and mandates that are currently provided to other institutional clients. In certain instances, in particular for affiliated entities, AINA may engage in specific administrative and support services based on its affiliated relationship. AINA seeks consistency in the level of prudence, care and diligence it exercises in the management of all client accounts and maintains policies and procedures that apply equally to both affiliated and nonaffiliated clients.

In performing advisory and other services, AINA may utilize the talents of investment professionals of affiliated investment advisory firms to manage a particular strategy or product. In keeping with applicable regulatory guidance, each such affiliate has entered into a Memorandum of Understanding ("MOU") with AINA through which the affiliate is considered a "Participating Affiliate" of AINA as that term is used in relief granted by the staff of the Securities and Exchange Commission. This allows AINA as a US registered investment adviser to use the resources of non-US affiliates to render portfolio management, research or trading services to clients of AINA.

The arrangement with Participating Affiliates positions AINA to offer investment management styles and strategies, under the framework of US regulations that it typically does not manage. In partnering with overseas affiliates, AINA seeks to offer management and related services to US clients provided by investment management personnel, associated with Participating Affiliates, who are viewed as best positioned to provide the expertise required to manage a particular strategy or product. Investment professionals of a Participating Affiliate may render substantially similar portfolio management research or trading services to their own advisory clients and the performance achieved may be better or worse than that achieved on behalf of AINA clients. AINA and each of its investment advisory affiliates, including Participating Affiliates, are subsidiaries of Aviva plc.

As of December 31, 2011, AINA had discretionary assets under management in the amount of \$60,372,800,148, and non-discretionary assets under management in the amount of \$546,631,428. Total assets under management were \$60,919,431,576.

Item 5 Fees and Compensation

AINA may receive fixed fees, performance-based fees and fees as a percentage of assets under management for compensation. Fees are established and stated in a client's investment management agreement with AINA and are subject to negotiation with the client. Unless the client requests otherwise, AINA bills its fees for separate account mandates on a quarterly basis, in arrears, based on average assets over the quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Payment of fees on other bases and intervals may be negotiated. In the instance of private funds and mutual funds, the funds' offering documents disclose applicable fees as indicated below.

AINA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and others such as fees charged by managers, custodial fees, deferred

sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. If a mutual fund or private fund is held in a client's account, the client will separately incur internal management fees related to the fund, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to AINA's management fee. See Item 12 for a discussion of AINA's brokerage practices.

AINA's marketing personnel include registered representatives of AINA's affiliated broker dealer, Aviva Securities, LLC which offer private funds and mutual funds. Aviva Securities registered representatives may share in sales-based compensation and receive bonuses based on fund sales. In the instance of separate account sales through AINA, AINA's marketing personnel are awarded salary and may qualify for sales bonuses.

Compensation arrangements may present Aviva Securities and its registered representatives with an incentive to recommend investment products based on potential compensation rather than on a client's particular needs. However, Aviva Securities' duty of care compels its representatives to act in a client's best interests. Furthermore, Aviva Securities exercises supervisory oversight over the sales activity of its registered representatives, monitors sales based compensation and reinforces the concept of fair and equitable treatment of clients.

Separate account clients

AINA charges separate account clients a fee based on a percentage of client assets under management. AINA may also charge certain qualified clients a performance-based fee, as described in Item 6. Fees are subject to negotiation and may be higher or lower than those described below.

Clients with significant multiple account relationships may receive a lower fee on individual accounts. Fees for existing clients may be calculated in accordance with different fee schedules in effect at the time of the most recent amendment to a client's advisory contract. Because certain clients may pay higher fees than others, AINA has a potential incentive to favor higher fee paying accounts. The timing or execution of trades by other accounts could be used to benefit higher-fee accounts and allow them to gain access to opportunities before others. Alternatively, higher paying accounts may be advantaged by prioritization over other lower fee paying accounts when a prompt purchase or sale is desirable, i.e. they may receive preference by purchasing or selling securities at a more opportune time. Moreover, investment managers could focus their time and effort on higher paying accounts to the disadvantage of others. To avoid such conflicts, AINA's policies and procedures require fair dealing and establish trading practices that apply to all accounts.

The standard annual fee schedule listed below.

Strategy	Annual Fee (%)
Core Aggregate Fixed Income	
First \$50 Million	0.30%
\$50 - \$100 Million	0.25%
Over \$100 Million	0.20%
Minimum Fee	\$75,000
Core Plus Fixed Income	
First \$50 Million	0.30%
\$50 - \$100 Million	0.25%
Over \$100 Million	0.20%
Minimum Fee	\$75,000
Securitized Fixed Income	
First \$50 Million	0.30%
\$50 - \$100 Million	0.25%
Over \$100 Million	0.20%
Minimum Fee	\$75,000
Government Credit	
First \$50 Million	0.30%
\$50 - \$100 Million	0.25%
Over \$100 Million	0.20%
Minimum Fee	\$75,000
Investment Grade Credit and Long Credit	
First \$50 Million	0.32%
\$50 - \$100 Million	0.27%
Over \$100 Million	0.22%
Minimum Fee	\$75,000
Short Investment Grade Credit	
First \$50 Million	0.25%
\$50 - \$100 Million	0.20%
Over \$100 Million	0.15%
Minimum Fee	\$75,000

Strategy	Annual Fee (%)
Long Government /Credit	
First \$50 Million	30 bps
\$50 - \$100 Million	25 bps
Over \$100 Million	20 bps
Minimum Annual Fee	\$75,000
US Core Aggregate High Quality	
First \$50 Million	0.30%
Between \$50 Million and \$100 Million	0.25%
Over \$100 Million	0.20%
Minimum Fee	\$75,000
US Intermediate Fixed Income	
First \$50 Million	0.25%
Between \$50 Million and \$100 Million	0.20%
Over \$100 Million	0.15%
Minimum Fee	\$75,000
US Short Term Fixed Income	
First \$50 Million	0.15%
Between \$50 Million and \$100 Million	0.12%
Over \$100 Million	0.10%
Minimum Fee	\$75,000
Guaranteed Managed Solutions/Stable Value	
First \$50 Million	0.25%
\$50 - \$100 Million	0.20%
\$100 - \$200 Million	0.15%
Over \$200 Million	0.13%
Minimum Fee	\$100,000
Private Fixed Income	
First \$50 Million	0.35%
\$50 - \$100 Million	0.30%
Over \$100 Million	0.25%
Minimum Fee	\$125,000
US and Global Convertible Bonds	
First \$50 Million	0.65%
\$50 - \$100 Million	0.50%
\$100 - \$250 Million	0.35%
Over \$250 Million	0.30%
Minimum Fee	\$150,000
Global High Yield Bonds	
First \$50 Million	0.50%
\$50 - \$100 Million	0.45%
Over \$100 Million	0.40%
Minimum Fee	\$125,000
Bank Loans	
First \$50 Million	0.50%
\$50 - \$100 Million	0.45%
Over \$100 Million	0.40%
Minimum Fee	\$125,000
US High Yield Bonds – Constrained	
First \$50 Million	0.50%
\$50 - \$100 Million	0.45%
Over \$100 Million	0.40%
Minimum Fee	\$125,000
US High Yield Bonds – Unconstrained	
First \$50 Million	0.50%
\$50 - \$100 Million	0.45%
Over \$100 Million	0.40%
Minimum Fee	\$125,000
US BB High Yield Bonds	
First \$50 Million	0.50%
\$50 - \$100 Million	0.45%
Over \$100 Million	0.40%
Minimum Fee	\$125,000

Strategy	Annual Fee (%)
Short Duration Global High Yield Bonds	
First \$50 Million	0.50%
\$50 - \$100 Million	0.45%
Over \$100 Million	0.40%
Minimum Fee	\$125,000
Emerging Market Debt – Hard Currency	
Minimum \$50 Million	0.60%
\$50 - \$100 Million	0.50%
Over \$100 Million	0.40%
Emerging Market Debt – Local Currency	
Minimum \$50 Million	0.60%
\$50 - \$100 Million	0.50%
Over \$100 Million	0.40%
Emerging Market Debt – Inflation Linked	
Minimum \$50 Million	0.60%
\$50 - \$100 Million	0.50%
Over \$100 Million	0.40%
Global Markets Alpha	
First \$250 Million	0.20%
Between \$250 Million and \$500 Million	0.15%
Over \$500 Million	0.10%
Minimum Fee	\$200,000
Liability Driven Investing (LDI)	
First \$100 Million	0.08%
\$100-\$300 Million	0.06%
\$300 Million - \$1 Billion	0.04%
\$1-2 Billion	0.03%
\$2-5 Billion	0.02%
Over \$5 Billion	0.01%
Derivative Overlay Strategy (Notional)	
First \$100 Million	0.20%
Between \$100 Million and \$300 Million	0.15%
Between \$300 Million and \$1 Billion	0.12%
Between \$1 Billion and \$2 Billion	0.10%
Between \$2 Billion and \$5 Billion	0.08%
Over \$5 Billion	
Foreign Exchange (FX) Plus Hedging Strategy	
First \$50 Million	0.25%
\$50 - \$100 Million	0.21%
\$100 - \$500 Million	0.16%
\$500 Million - \$1 Billion	0.12%
Over \$1 Billion	0.08%
Minimum Fee	\$125,000
Real Estate Multi-Manager – US Focus	
\$75 Million (minimum) and over	0.75%
Real Estate Multi-Manager – Global/Regional Focus	
\$75 Million (minimum) and over	1.00%

Unless otherwise noted, the minimum account size for all of the above categories is \$25 million (exclusive of Liability Driven Investing and Derivative Overlay Strategies), except for Guaranteed Managed Solutions/Stable Value which has a minimum account size of \$50 million and Global REITS which has a minimum account size of \$20 million. These minimum account sizes and fees are negotiable under limited circumstances.

AINA may also receive performance-based fees as disclosed in Item 6.

Mutual Funds

AINA may manage registered investment companies that generally pay AINA an asset-based management fee on a monthly basis, based on the average daily assets in the funds. Fees payable to AINA for investment management services of mutual funds are individually negotiated with each fund's Board of Directors. Shareholders should read the prospectus of a fund for further information regarding fund fees.

Private Funds

Fees for each private fund are established in AINA's advisory agreement with that fund and are described more specifically in each fund's offering documents or private placement memoranda ("PPM"). Generally, AINA receives a management fee based on a percentage of the fund's assets.

Valuation Policy

AINA primarily uses market pricing data provided by independent pricing sources for publicly traded securities. AINA engages alternative pricing sources, including the use of valuation models and niche pricing services, for investments where pricing is not readily available. AINA has established a Model Review Committee and Valuation Committee to oversee its pricing activities.

In connection with its activities, the Valuation Committee may determine a "fair value" for certain instruments or securities which are not able to be priced by independent pricing services, based on AINA's knowledge of the instrument or security, current market conditions and other considerations deemed appropriate. AINA relies on alternate methods to determine "fair value" involving a variety of factors and approaches in dealing with unique characteristics of an instrument when market prices, or those of established service providers, are not available. AINA's practices and the factors evaluated may vary. No single factor or approach will be implemented by AINA in every case to determine fair value.

In the instance where market quotations are not readily available for certain securities, i.e., as private fixed income and OTC derivatives, valuations may require significant judgment. AINA will evaluate a number of factors in determining "fair value" including: price quotations from dealers, internal and external model outputs, recent transactions and related fundamental and economic factors. All determinations of "fair valuation" occur under the supervision and approval of the Valuation Committee in keeping with AINA's Valuation Procedures.

AINA's role in valuing certain instruments and securities creates potential conflicts, including an incentive to price instruments and securities at a higher price in an effort to improve performance which increases management fees. AINA's controls over the valuation process rely on the operations of its Valuation Committee, the implementation of policies and procedures and regular monitoring to assist in conflict mitigation.

Item 6 Performance-Based Fees and Side-By-Side Management

AINA may negotiate a performance-based fee with eligible clients prior to executing an advisory agreement. AINA considers charging performance-based fees to certain qualified clients (as defined by the Investment Advisers Act of 1940.)

Performance-based fee arrangements are intended to align the interests of AINA with those of its clients though it may result in the payment of higher overall compensation to AINA. In addition, performance-based fees create the potential incentive for AINA to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. To address this conflict, AINA's policies and procedures establish a basis for fair allocation of investment opportunities among clients over time. Investments that are appropriate for accounts with performance fees may also be appropriate for one or more other clients. AINA exercises discretion to determine which clients are most suited to participate in a particular investment opportunity, in whole or in part, including those with a performance fee.

Because some investment opportunities may be limited, AINA may only be able to allocate the opportunity to certain eligible clients. In making allocations, AINA may have a financial impetus to recommend a limited investment opportunity to entities controlled or managed by affiliates of AINA or to an account with a performance fee. In an effort to mitigate conflicts, AINA maintains allocation policies and procedures that support the fair allocation of investment opportunities to clients over time.

See item 12 for more information regarding AINA's allocation procedures.

Item 7 Types of Clients

AINA offers portfolio management services to a broad range of institutional clients, including corporate pension and profit-sharing plans, insurance companies, Taft-Hartley plans, charitable institutions, foundations, endowments, state and municipal entities, trust programs, sovereign funds, and US and international government entities. AINA also provides investment advisory services to funds such as private funds and may engage in the management of mutual funds and collective investment trust funds.

AINA has minimum account sizes for some of its strategies. See Item 5 for more information regarding AINA's account minimums.

Affiliated funds and accounts may, and frequently do, invest in the same securities as unaffiliated client accounts. AINA's policy is to treat affiliated accounts in the same manner as unaffiliated client accounts for purposes of trading allocation; neither favoring nor disfavoring them. Affiliated accounts are normally included in AINA's aggregated trades to the same extent as unaffiliated client accounts.

Please see Item 12 for information related to brokerage practices.

A client may remove AINA as the investment manager upon written notice of termination to AINA based on the terms of the investment management agreement in effect. Termination of an advisory agreement by a client will not affect transactions previously initiated on the client's behalf prior to the effective date of the termination. If AINA chooses to terminate its relationship with a client, we must generally give the client 30 days written notice, unless otherwise stated within the investment management agreement.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

AINA employs a team approach in the management of its strategies and the process involves members of AINA's Research Team, the respective Portfolio Management Teams and the independent Risk Management Team. The Portfolio Management Team is accountable for making final investment decisions. While Portfolio Management also is ultimately responsible for the asset allocation, portfolio construction and security selection decisions, the Research Team provides valuable insights and heavily influences these decisions.

All clients must assume the risk that investment returns will fluctuate, may be positive or negative, hold the potential for loss of principal and return or may result in delivery of returns that are higher or lower than those of other investment advisers, market indices or investment products. Though all of our strategies seek positive returns, the strategies may not achieve their stated objectives. Investing in securities involves risk of loss that clients should consider.

Core Aggregate, Investment Grade and Other Fixed Income Strategies Analysis

AINA primarily employs a fundamental credit analysis when investing. AINA utilizes Aviva Investors Global Economics Team to assist in developing an economic and investment outlook. Portfolio Management and Research engage in portfolio construction working collaboratively to orchestrate top-down asset/sector allocation and bottom-up security selection. Once implemented, AINA typically provides ongoing oversight and conducts formal portfolio reviews approximately monthly or more frequently if warranted by market or other conditions.

Asset / Sector Allocation: The allocation process begins with a bottom-up return forecast by sector performed by our Research Analysts. The return forecasts are optimized using our asset allocation model to formulate a set of "efficient frontier" asset/sector allocations to be considered during the portfolio construction process. Portfolio Management determines the desired asset/sector allocation based on our economic and investment outlook and input from our asset allocation model.

Credit Universe Screening and Issuer Selection: AINA Research Analysts are sector specialists, covering investment grade and high yield issuers, and identify potential opportunities and key risks for portfolios. Through quantitative and qualitative fundamental and technical analysis of risk expectations, analysts generate internal ratings to reflect their view of a corporation's risk profile. The Research Team works closely with Portfolio Managers to assess relative value across the issuer's capital structure. AINA's fundamental approach provides a framework for assessing risk including whether a potential investment adequately compensates for risk.

Portfolio Construction / Security Selection: Allocations to securities are primarily driven by Research Analyst recommendations. There is a direct relationship between an Analyst's conviction regarding a recommendation and the expected magnitude of a position in a given portfolio.

Duration: AINA seeks to construct portfolios to conform to typical client objectives and evaluates the benefits and risk of each investment over a typical investment horizon. In refining asset allocation and security selection to pursue alpha, AINA typically remains duration neutral.

Risk Management: AINA manages portfolio risk through a risk budgeting process which incorporates issuer and sector dispersion and client performance objectives and risk tolerances. We seek to maximize anticipated risk adjusted return through sector allocation and security selection. AINA monitors and manages portfolio risk during periods of low and elevated sector and issuer dispersion by adjusting benchmark tracking error volatility.

Fixed Income Investment Strategies and Risk

We offer the following Fixed Income strategies:

Core Aggregate Fixed Income is a broad fixed income strategy which invests in diversified high quality bonds in order to gain diversified exposure to the US bond market. Core Aggregate also holds the capacity for investment in bonds with an out-of-index allocation, including high yield rated bond.

Core Plus Fixed Income is a broad fixed income strategy which invests in diversified investment grade and high yield bonds. Core Plus typically allows for a larger exposure to high yield or other out of index fixed income asset classes relative to Core Aggregate.

Securitized Fixed Income is a broad fixed income strategy which provides a diversified exposure to the U.S. Securitized bond market. The U.S. Securitized Strategy includes investment grade and non-investment grade rated asset backed securities (ABS), mortgage backed securities (MBS) and commercial mortgage backed securities (CMBS).

Government Credit is a broad fixed income strategy which invests in diversified high quality government and corporate bonds in order to gain diversified exposure to the US bond market.

Investment Grade Credit is a fixed income strategy which uses investment grade bonds in order to gain diversified exposure to the US Investment Grade credit bond market.

Long Credit is a fixed income strategy which invests in investment grade bonds in order to gain diversified exposure to the long duration US investment grade credit bond market.

Short Investment Grade Credit is a fixed income strategy which invests in investment grade corporate bonds seeking to gain diversified exposure to the short duration US investment grade credit bond market.

Long Government/Credit is a fixed income strategy which invests in investment grade credit, government bonds (US Treasuries and US Agencies) in order to pursue gain diversified exposure to the long duration US bond market.

US Core Aggregate High Quality is a broad fixed income strategy with the flexibility to invest in investment grade corporate, MBS, ABS, CMBS and government securities. Exposure to below investment grade rated bonds is not permitted under this strategy.

Intermediate Fixed Income is a broad fixed income strategy which utilizes a broad range of fixed income asset classes in order to gain diversified exposure to the intermediate maturity US bond market.

U.S. Short-Term Fixed Income is a short duration fixed income strategy which utilizes diversified high quality bonds and money market instruments with target duration of approximately three months in order to provide a high degree of liquidity.

Guaranteed Managed Solutions (“GMS”) is a broad fixed income strategy which invests in intermediate duration high quality bonds to gain a diversified liquid exposure to the US bond market.

Private Fixed Income is an investment solution designed to invest primarily in investment grade, private fixed income securities issued by domestic and non-domestic entities. In addition to interest rate and credit risks noted below, Private Fixed Income is also subject to liquidity risk since private instruments often trade on a negotiated basis for which there may be no market. Liquidity risk can be pronounced when there are a limited number of buyers or sellers for a particular bond.

AINA's Private Fixed Income Team employs a disciplined, team-oriented process. The Team uses a fundamental, bottom-up approach to evaluate companies and transaction structures and identify investment opportunities. Evaluated by both the Portfolio Manager and Analyst, potential investments are viewed based on benefits and risks over the long-term and within the context of AINA's investment forecast. While cognizant of economic forecasting in researching investments, the Team relies on case evaluations of each company's performance during the security selection process. At an individual level, AINA evaluates a company's qualitative and quantitative characteristics to assess business and financial risks over multiple business cycles. AINA employs its internal credit model and reviews industry research. AINA considers competition, management, event risk, the investment's structure and relative value attributes and evaluates each security with the intent to hold to maturity. AINA manages risk and executes exit strategies to enhance portfolio performance as appropriate.

The Fixed Income strategies above are subject to the following risks:

- **Interest Rate Risk.** Changes in interest rates may adversely affect the value of an investor's portfolio. Rising interest rates cause the price of fixed income securities to fall and declining rates cause fixed income securities prices to rise.
- **Credit Risk.** The credit rating or financial condition of an issuer may affect the value of a fixed income debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest and return principal. Adverse economic conditions may weaken the capacity of an issuer to pay interest and repay principal causing a security to lose some or all of its value.
- **Prepayment Risk.** Prepayment is the risk that an issuer will redeem a callable bond prior to maturity. Prepayment may occur occurs when market rates of interest decline, covenant issues including covenant violations, change of control and other issues. The risk to the investor is one of reduced interest flows for an investor if proceeds are reinvested at a reduced rate. Mortgage backed securities may experience irregular cash flow when borrowers payoff their mortgages earlier than expected.
- **Additional Risk:** Core Aggregate and Core Plus Fixed Income strategies may invest in high yield securities. If invested in these assets, the strategies are subject to the high yield risks noted below.

Convertible Securities Strategy is a fixed income strategy that involves investment in a diversified portfolio of global convertible securities. Convertibles are corporate bonds or preferred stocks that are exchangeable for common stock. These securities seek to provide the income potential of fixed income securities and the appreciation potential of common stock.

The investment approach associated with Global Convertible Securities combines fundamental analysis of underlying issuers with detailed technical analysis of the associated convertible bond. Principally, investment is premised on two factors: favorable risk-reward characteristics and the strength of the underlying credit and equity fundamentals. Similar to the FTV analytical process, as previously described, the investment process is based on research from AINA's strategy team which incorporates economic scenario analysis and asset-return forecasting. Motivating macro asset allocation decisions are factors including: the level of fundamental valuations noted in the convertibles universe and the regional and local outlook of global equity markets. Micro asset allocation is a response to the screening and evaluation of the investable universe using liquidity, delta, yield, discount to theoretical value, sensitivity to equity price changes and security scenario review.

The Convertible Securities Strategy is subject to interest rate and credit rate risks as described above and equity risk. Equity risk involves the potential for change in the value of the underlying equity of a convertible bond which may significantly affect price. Falling equity prices are a negative influence on convertible bond prices, while rising equity prices are a positive factor.

High Yield Fixed Income Analysis

While sharing the research team's coverage with the Investment Grade Fixed Income Team, AINA's High Yield Team is guided by factors that are unique to high yield securities. High yield risk and return depends more fully on the performance of individual securities than other fixed income strategies. AINA relies on bottom-up security screening, analysis and selection since there is higher risk of default among high yield issues. The Team concentrates mainly on four sources of value: quality allocation, industry allocation, security selection,

and multi-currency (hedged) issues and recognizes the influence of these sources of returns. Security selection is a primary source of return and conviction dictates the choice of a specific issue rather than the size of its index weighting. AINA monitors holdings while focusing on significant high yield risks, the original investment thesis and exit strategy and the probability of default and severity of loss of holdings.

AINA offers the following High Yield Strategies:

The **Global High Yield** strategy typically invests 70 – 100% in US dollar (“USD”) denominated bonds and any remainder is invested in non USD denominated bonds that are currency hedged. Our Global High Yield Bond strategy invests only in bond issuers in developed countries. The goal is to focus on corporate credit risk rather than political risk. All analysis is performed by our High Yield Portfolio Management and Global Research Team.

The **High Yield Bank Loan** strategy is an investment solution designed to invest in bank loans issued by US dollar denominated corporations.

The **US High Yield Constrained** strategy, which focuses on securities with historically higher quality ratings than the broad high yield market, offers the high yield management team the flexibility to seek the potential of higher long-term relative total return and risk-adjusted returns associated with the higher and middle quality (BB/B) high yield rating tiers within the US dollar denominated high yield marketplace.

The **US High Yield Unconstrained** strategy is an investment solution designed to invest in non-investment grade debt issued by corporations across the globe in US dollars (USD) currency.

The **US BB High Yield** strategy is an investment solution designed to invest in non-investment grade debt issued by corporations across the globe in US dollars currency and mainly in the BB rating tier.

The **Short Duration Global High Yield** strategy is designed to invest in short duration non-investment grade debt issued by corporations across the globe that are denominated in multiple currencies, and currency hedged.

The High Yield Strategies are also subject to the following risks:

- **Credit Risk/Default Risk.** High yield or non-investment grade bonds typically offer higher returns subject to increased volatility. Risks of default or downgrade are more prevalent than investment grade securities along with price declines due to actual or perceived changes in an issuer's creditworthiness. Issuers of non-investment grade bonds are more susceptible than other issuers to economic downturns and may be unable to pay interest and ultimately to repay principal at maturity.
- **Market Risk.** The risk of non-investment grade bonds is defined by the market view of the company and capital structure of an issuer. With heightened sensitivity to equity market returns, non-investment grade bonds are more volatile during economic weakness.
- **Interest Rate Risk.** Typically, interest rate risk or sensitivity to changes in interest rates is only moderately associated with non-investment grade bonds and is dependent on the level of spreads or risk premium. Interest rate risk for non-investment grade bonds is typically not a common concern until spreads are at a relatively tight level on a historical basis.
- **Liquidity Risk.** Non-investment grade bonds often trade on a negotiated basis with relatively high transaction costs. Liquidity declines if there are a limited number of buyers or sellers for a particular bond. Typically, investors receive a liquidity premium for the higher transaction cost and scarcity of demand for a particular issue. Conversely liquidity premium may not be sufficient especially when a bond's quality deteriorates and holders are faced with very low bids.

Emerging Market Debt Analysis

AINA offers emerging market fixed income debt strategies managed by a Participating Affiliate. The process involves:

- **Idea generation:** This involves the analysis of individual countries, global factors, the valuations of bond securities and comparative yield valuations. The Management Team reviews proprietary and external research and visits countries viewed as holding investment potential.
- **Formulation of Central Themes:** The Management Team considers approximately a six to nine month horizon, evaluates strategy across regions and selects investment themes in which it has conviction as the basis for positioning the portfolio.
- **Portfolio Construction:** Specific portfolio attributes are determined such as country weights, duration and yield curve positioning and security selection.
- **Implementation:** After evaluating factors including liquidity and maximum tolerance for loss, position sizes are formulated with regard to a relevant benchmark.

Emerging Market Debt – Hard Currency is a fixed income strategy which is primarily invested in emerging market sovereign debt securities, up to 20% in emerging market corporate bonds and up to 10% in emerging market credit-linked notes (unleveraged) and is hedged to USD.

Emerging Market Debt – Local Currency is a fixed income strategy that invests in local currency debt instruments with stable to improving credit quality. The strategy invests in emerging market sovereign debt securities, up to 10% in emerging market corporate bonds and up to 10% in emerging market credit-linked notes (unleveraged). There is an allowable maximum of 20% in any single emerging market currency.

Emerging Market Debt – Inflation Linked is a fixed income strategy that primarily invests in emerging market inflation-linked debt securities.

The emerging markets strategies above are subject to the following risks in addition to the interest rate and credit risks noted above:

- **Foreign Securities Risk.** Investing in securities of foreign issuers and governments poses additional risks since political and economic events unique to a country or region will affect foreign securities markets and their issuers. In addition, investments in securities of foreign issuers are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the US dollar may affect, positively or negatively, the value of a portfolio's investments.
- **Debt Securities Risk.** Debt securities react to interest rate changes during periods of falling interest rates. The values of outstanding fixed income securities generally rise and values fall during periods of rising rates. Securities with longer maturities produce higher yields but are subject to greater market fluctuations due to changes in interest rates. When rates fall, high interest rate debt obligations may be prepaid or "called" by an issuer prior to maturity.
- **Credit Risk:** Fixed income securities are affected by the credit rating or financial condition of an issuer. Credit risk results from concern that an issuer will be unable or unwilling to make timely payments of either principal or interest.
- **Emerging Markets Risk.** Emerging markets securities are viewed as speculative. Emerging market governments may be less stable and their economies less liquid and diverse than developed markets. In addition, emerging markets securities may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment and possible restrictions on repatriation of investment income and capital.
- **Derivative Risk.** Low margin deposits required when trading derivatives may result in leverage that may be significant and magnify gains and losses. Relatively small price movement in the underlying price of a derivative contract may result in substantial losses under these strategies. Successful use of derivatives depends on the degree to which prices of the underlying assets correlate with the price movements in the derivative. An investment may be affected negatively if there is insufficient correlation.

Global Markets Alpha ("GMA") Analysis

Global Markets Alpha is a fixed income strategy combining elements of a beta portfolio allocation, such as replication of a market index, and alpha elements including, but not limited to, global rates-sovereign absolute return, quantitative strategies, global credit, currency, emerging market, global high yield, global inflation and asset allocation. The beta and alpha allocations are formulated based on client preference.

The Global Markets Alpha Team (the "GMA Team") uses a top down risk budgeting process to allocate risk across a range of possible active investment strategies to pursue the advantages of alpha allocations that in-house alpha specialists formulate. In conjunction, the beta replication process is undertaken with the intent to create a diversified fixed income portfolio.

The Team conducts beta replication by means of a stratification process which aims to optimize results, to minimize tracking error and seeks to ensure that curve and duration risks are minimized with the least number of positions. Also, the Team focuses beta replication on recently issued index securities in pursuit of liquidity consistent with the replication strategy. Once beta replication is modeled, the Team engages in a five stage process including risk budgeting, alpha generation, risk allocation, execution and risk management.

Top Down Allocation: The Team considers alpha generation options, constraints and the potential effects of an assumed information ratio during the risk modeling stage given the alpha opportunity sets selected and the risk and return targets of each client. When allocating the risk budget, the Team assesses how each alpha strategy may perform under a given set of market conditions and each alpha strategy's track record. The Team develops assumptions regarding factors including the correlation of returns among alpha strategies, volatility, optimization and considers techniques to derive the risk weights to be allocated to each alpha strategy.

Alpha Generation: The Team reviews historical performance track records of alpha strategies, including volatility and the potential shortfall range based on past return. The potential shortfall is a guide to the likely scale of draw downs, i.e., performance declines, associated with alpha delivery. The Team gauges the expected shortfall and volatility by evaluating the potential alpha returns, the volatility of returns and frequency of the drawdown to decide how much risk to allocate to each alpha strategy. These factors are optimized to derive the risk weights allocated to each underlying alpha element. The Team monitors the correlation of alpha performance of each specialized alpha element on an ongoing basis associated with global rates-sovereign absolute return, quantitative strategies, global credit, currency, emerging market, global high yield, global inflation and asset allocation, among others.

Risk Allocation to Individual Strategies and Portfolio Construction: Each alpha strategy selected receives a top down, risk budget allocation. This positions each Alpha Team to pursue full employment of its risk allocation as a portion of the account's overall risk budget.

Execution: The GMA Team determines the content of the portfolio and instructs alpha managers / traders to execute. Alpha traders provide added value to the investment process by means of: providing for: the orderly timing of trades, pursuing liquidity and analyzing market conditions and their effects on the alpha strategies.

Risk Management: Daily the Global Market Alpha Team conducts diagnostics to assess risk levels employing techniques that utilize various third party risk tools. Additionally, an Independent Risk Team conducts a formal monthly audit of existing portfolios based on analysis performed through separate diagnostic tools. Stress testing and scenario analysis occur across the portfolio inclusive of all individual strategies within each portfolio..

GMA is subject to the risks identified in conjunction with the preceding fixed income strategies including: interest rate risk, credit risk / default risk, prepayment risk, market risk, interest rate risk, foreign securities risk, debt securities risk and emerging market risk. As well it is subject to derivatives securities risk and foreign exchange / hedging risk as explained below.

Liability Driven Investing and Derivative Analysis

Liability Driven Investing (LDI), offered separately or in conjunction with derivative strategies, targets the management of client liabilities, typically for pension and retirement plans, and involves investment management based on a client's specific liability and asset structure.

Liability Driven Investing (LDI) Strategy involves the development of analysis to address asset / liability issues and economic exposures typically associated with a pension or retirement plan. This strategy involves advice and management consisting of:

1. Customized derivative overlay solutions devised by AINA, independent of, or in conjunction with,
2. Implementation of customized fixed income strategies.

AINA bases its LDI analysis on client supplied liability cash flows, plan / account descriptions, portfolio holdings or asset mandate benchmarks. AINA uses systems and proprietary tools to analyze the client's aggregate risk position, develop solutions intended to improve the net overall position of the client, reduce net risk and/or increase potential return compared to liabilities. Typically, AINA considers the duration of portfolio assets, reviews specific yield curve exposures, allocates asset classes and formulates derivative overlays to specific tolerances consistent with the plan / account's net risks.

Risks associated with LDI solutions include:

- **Actuarial Risk:** These strategies seek to control risks based on actuarial estimates. Actual liability funding requirements may vary from estimates and, consequently, the strategies may not be effective.
- **Derivative Strategy Risks:** Applicable derivative risks are listed below under Derivative Overlay Strategy.

Risks associated with underlying assets managed in conjunction with an LDI derivatives overlay are covered within each respective investment capability section within this brochure.

Derivative Overlay Strategy: This strategy represents a custom solution for a client account to alter the client's risk profile through the investment in derivatives. Based on the client objective, derivatives are targeted to underlying market risks involving interest rates, equity, inflation, and credit or foreign exchange derivatives as an overlay to the client's holdings. The specific derivatives that will be used depend on the nature of the client's risk and the magnitude of the overlay strategy.

AINA portfolio management identifies a client's investment objectives based on risk tolerance and seeks to tailor a derivative overlay strategy to portfolio needs. Based on client constraints, investment guidelines and market conditions, AINA invests in instruments and conducts ongoing monitoring that result in portfolio modification as needed.

Other sources of derivative investment risk include:

- **Counterparty Risk:** This strategy is subject to risk of a counterparty failing to perform and satisfy its obligations. To reduce the risk of counterparty failure, AINA typically engages in derivative strategies, to the extent possible, with entities that transact using the International Swap Dealer's Association Master Agreement ("ISDA") and Credit Support Annex ("CSA"), or other acceptable format.
- **Valuation Risk:** Derivatives may have limited pricing sources.
- **Volatility Risk:** Derivatives may be more volatile than other investments and may magnify gains or losses. Successful use of a derivative depends upon the degree to which prices of the underlying assets correlate with price movements in the derivatives. Losses may occur if a change in market value of securities fails to correlate well with the values of derivative positions.
- **Leverage Risk:** A derivative links a holder to the risks and rewards of owning an underlying financial instrument without actually owning the instrument. Derivatives may be used to control risk but may increase risk exposure when not properly applied and calibrated.
- **Liquidity:** Derivatives may not be readily marketable and may be thinly traded.

Foreign Exchange (FX) Plus Hedging: This derivatives strategy is intended to reduce currency exposure and increase the efficiency of a portfolio invested in fixed income securities. The strategy employs dynamic and static hedging overlays at the client's option, to manage currency risks in a portfolio. AINA offers this strategy as an addendum to or separate from fixed income management.

AINA's analysis consists of an initial determination of the exposures affecting client portfolios. Subsequently, AINA evaluates specific strategies and derivative instruments believed suited to addressing those exposures. Finally, AINA selects instruments, executes transactions and monitors performance typically on a daily and monthly basis.

The principal risks associated with investing in currency derivative strategies are counterparty risk, volatility risk (covered above) and also include:

- **Foreign Exchange Risk.** The risk of an investment's value changing due to fluctuations in currency exchange rates results in foreign exchange risk. Exposure includes the risk of having to close out long or short positions in a foreign currency at a loss due to an adverse movement in exchange rates. There is no assurance that a hedging strategy will be effective.
- **Interest Rate Risk:** The pricing of foreign exchange derivatives, currency forwards and cross-currency swaps, requires a market interest rate input. Changes in the level of market interest rates will impact the market value of these positions, either negatively or positively.
- **Liquidity:** Forwards and other hedging instruments may not be readily marketable and may be thinly traded.

Real Estate Multi-Manager Analysis

Real Estate Multi-Manager – US and Global/Regional Focus

AINA's Real Estate Multi-Manager ("REMM") Team pursues investment in private equity real estate ("PERE") globally for its clients. REMM sets a global strategy, pursues client-focused allocations and utilizes a global analytical framework to partner with third party fund managers who execute targeted strategies.

REMM investments broadly fall into three types: primary investments into newly formed vehicles held in either a blind pool fund or consisting of identified co-investment; secondary investments in PERE that are acquired from existing investors; and recapitalizations of an asset or portfolio where new capital is typically needed to de-leverage such investment or provide operating capital. REMM typically invests on behalf of clients seeking current return.

The risks of the REMM strategy include:

- **Liquidity.** REMM PERE investments may be illiquid. It is uncertain when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments. Return of capital and the realization of gains, if any, generally occur with the partial or complete disposition of an investment. While an investment may be sold at any time, its sale may not occur for a number of years after the initial investment. Prior to sale, there may be no current return on an investment.
- **Reliance on General Partners and Fund Managers.** Control of the operations of an underlying investment fund is vested with the respective general partners and fund managers, and profitability depends upon the business and investment skill of the management team. Loss of the service of one or more of the management teams' members may negatively affect a fund's investment performance.
- **Limited Transferability of Fund Interests.** Typically, there is no public market for investment fund interests. Transfers may be accomplished in certain situations subject to the approval of the General Partner of the underlying investment fund.
- **Significant Adverse Consequences for Default.** If an investor defaults on its capital commitment or other payment obligations, there are significant adverse consequences, including forfeiture of ownership of interests.
- **Impact of Law and Government Regulation.** Changes in law, particularly tax laws outside of the investors' jurisdiction that apply to foreign investment in real estate, may have an adverse effect on the value of interests. The enforcement of laws and regulations may increase the operating expenses of the fund and lower the income or rate of return from the fund and affect the value of the Fund's assets.
- **Absence of Regulator Oversight.** Investment funds and their managers may not be required to register under federal or non-U.S. regulations and investors may not receive certain protections.

Global REIT Securities Analysis

Global REIT Securities

AINA's Global Real Estate Securities Team (the "Team") invests in global real estate investment trusts ("REITs") and other real estate securities, typically, seeking stable return and long-term capital gains. The Team's investment process combines top-down and bottom-up analysis with equivalent emphasis broadly given to both factors.

The Team analyzes geographic markets and sectors from a top-down perspective, focusing on three factors: macro-economic forecasts, direct real estate market analysis and comparative valuations in the listed real estate securities market. Markets are reviewed based on economic and real estate fundamentals (e.g. location and quality of assets, see below) and prospective trends with emphasis on capital flows, investor sentiment and the currency outlook.

From the bottom-up, the strategy focuses on detailed individual company analysis. Qualitative factors relating to the companies are reviewed as well as portfolio positioning, strength of the investments and track record of the management teams.

The Team's research represents internally generated analysis of the larger macroeconomic environment, specific real estate markets and detailed company financial modeling. The Team employs proprietary relative valuation and security valuation models to analyze the attractiveness of regions, sectors and securities.

The principal risks of REITs and real estate securities include:

- **Economic factors:** Potential adverse changes in economic conditions affecting commercial and residential real estate values and salability may hamper value.
- **Real Estate Market Fundamentals:** Investment dynamics of REITS may be affected by the location and quality of assets, trends in expected total returns and changes in supply, demand, rents and yields.
- **Security Specific Risks:** These risks include: insufficient tenant supply or diversity, risks associated with new development, management concerns such as management quality and compensation and corporate governance issues regarding board membership, voting rights, and transparency.
- **Market Risk:** The systematic risks that are associated with real estate markets include but are not limited to: socio economic shifts and government policy changes, e.g., real estate taxation and foreign investment limitations.
- **Liquidity:** In less liquid markets, real estate securities may prove difficult to sell on a timely basis.
- **Foreign Securities Risk:** Investing in securities of foreign issuers poses risks of political and economic events affecting foreign securities markets and their issuers.

Commercial Real Estate Mortgage Loan Analysis

Commercial Real Estate Mortgage Loans

AINA currently offers the commercial real estate mortgage loan investment strategy only to affiliates. Investment involves the acquisition, sale and management of a portfolio of mortgage loans secured by liens on institutional commercial real estate properties. Oversight is provided by internal Loan Committee, comprised of senior investment professionals, who review and approve investments quarterly.

The strategy's risks include those fundamental to the real estate market including market specific fluctuations, tenant credit deficiencies, insufficient diversification and limited liquidity. These risks may affect the net operating income of a property and diminish the value of the secured real estate asset.

Alternative Investment Analysis

Alternative Investments

AINA invests in hedge funds and funds of hedge funds on behalf of its affiliate. To construct a portfolio of hedge fund investments, AINA selects among fund candidates seeking an optimal risk / return profile. AINA performs initial and subsequent due diligence to oversee the management of funds through ongoing review and periodic onsite visits. Initially, AINA explores and monitors a fund by reviewing: its structure, changes to personnel, the investment process, risk management factors, performance, client services, compliance and valuation among other factors. At regular intervals, AINA examines performance, portfolio attributes and other factors.

The risk associated with alternative investments is that investment in the funds may be volatile, speculative and involve the potential for loss.

Item 9 Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AINA or the integrity of AINA's management. AINA has no disciplinary information to report.

Item 10 Other Financial Industry Activities and Affiliations

AINA engages in financial industry activities with a variety of related persons, is affiliated with a FINRA registered broker dealer and is an NFA member.

AINA serves as investment adviser and provides business support services to insurance companies operated and owned by Aviva USA, an affiliated life insurance firm headquartered in Des Moines. Investment management on behalf of Aviva USA represents the largest portion of AINA's assets under management. Currently, AINA provides certain investment strategies, including commercial mortgage loans and alternative investments, to affiliated clients only.

As a matter of practice, AINA routinely shares services with Participating Affiliates and other wholly owned subsidiaries of Aviva plc, its parent. These include asset/liability management, accounting, and reporting services. Service sharing arrangements typically incorporate the sharing of revenue with or payments made to our affiliates for services provided.

AINA offers the investment management services of overseas affiliates to US clients through its cross borders management program. AINA is the lead adviser, among affiliated investment advisory firms with respect to US clients who may invest in investment strategies managed by its affiliates. In offering affiliate- managed strategies, AINA utilizes the skills of investment professionals of affiliated investment advisory firms to manage a particular strategy or product. Each such affiliate is viewed as a "Participating Affiliate." This

means that the employees of Participating Affiliates who are involved in the management services offered to US investors are supervised by AINA. AINA's Participating Affiliates must abide by requirements stipulated by the SEC and have submitted to US and SEC jurisdiction. At present, AINA's Participating Affiliates include Aviva Investors Global Services Limited which is authorized and regulated in the U.K. by the Financial Services Authority, and Aviva Investors Asia Pte. Limited which is incorporated in the Republic of Singapore. AINA and its affiliates share management fees among and with Participating Affiliates that provide management, research or trading services to clients of AINA.

In addition, AINA maintains exempt international adviser status in Canada; it principally acts as a sub-adviser to its Canadian investment advisory affiliate, Aviva Investors Canada Inc. Aviva Investors Canada Inc. is an investment adviser to Aviva-affiliated Canadian insurance companies and other separate account and Canadian mutual fund portfolios.

AINA is committed to fair and impartial treatment of its clients and is cognizant that management of assets on behalf of affiliated clients of substantial size, along with non-affiliated accounts of lesser asset size, may give rise to potential conflicts of interest. Affiliated accounts generate larger amounts of income overall because of higher asset levels. We maintain investment and trade allocation policies and procedures designed to manage conflicts of interest that arise, as described in this document.

In addition, AINA is affiliated with a broker/dealer, Aviva Securities, LLC ("Aviva Securities"). Aviva Securities is a limited purpose broker dealer that acts as the principal underwriter for a closed block of variable annuity contracts issued by an affiliated insurance company. Typically, Aviva Securities engages in the sale of private funds. Aviva Securities registered sales persons receive sales-based compensation for the sale of private funds.

Finally, AINA is registered as a Commodities Trading Adviser (CTA) with the National Futures Association (NFA).

Item 11 Code of Ethics

AINA has adopted a Code of Ethics (the "Code") describing its fiduciary duty to act in the best interests of its clients. The Code explains this duty and the general standards of conduct and practices to be followed by all employees. AINA's Code includes provisions relating to required standards of conduct and personal securities trading procedures.

AINA will provide a copy of the Code to clients or prospective clients upon request.

AINA anticipates that it will recommend to investment advisory clients the purchase or sale of securities in which its employees may have a position or interest. Similarly, its employees may buy or sell securities that AINA's clients own. In these situations, AINA and its employees have an incentive to gain from client activity. AINA's Code contains guidelines that AINA and its employees must follow with regard to such securities transactions. These guidelines are designed to provide reasonable assurance that the personal securities transactions, activities and interests of AINA's employees will not interfere with the interests of advisory clients while, at the same time, allowing employees to invest for their own accounts.

Under the Code, certain classes of securities have been designated as exempt based upon a determination that these do not materially interfere with the best interests of AINA's clients. Apart from these securities, the Code requires pre-clearance of transactions, and restricts trading that is proximate in time to client trading activity. Because the Code in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is routinely monitored to provide reasonable assurance that conflicts of interest between AINA and its clients are addressed.

AINA employees with access to client information may potentially use this knowledge to their personal advantage by seeking to influence the price of a security that both AINA and the employee own. An employee could therefore seek to transact ahead of clients for personal gain or sell prior to clients to prevent or diminish loss. Accordingly, the policies and procedures outlined above assist in mitigating this conflict. Additionally, the Code contains restrictions on the buying or selling of securities while an employee is in possession of material, non-public, "inside information" concerning a security or issuer.

The Code also contains guidelines and restrictions related to gifts and entertainment. Giving or accepting gifts on the part of employees creates a conflict of interest as it raises questions about the independent judgment of the employees who receive gifts and the intent of third parties who provide them.

Involvement in any outside employment or business activity may create a conflict of interest when it interferes with an employee's ability to perform the duties of his or her job. AINA prohibits engagement in outside activity that interferes with its business activities of AINA or potentially creates a conflict of interest with an employee's responsibilities.

The Code has strict guidelines all employees must follow to minimize these conflicts noted above. All supervised persons at AINA must acknowledge the terms of the Code of Ethics annually, and upon amendment. AINA may impose sanctions for violations of the Code of Ethics. Sanctions may include termination of employment in the case of serious offenses or other penalty.

Item 12 Brokerage Practices

Broker Selection

AINA typically is authorized to select brokers and dealers and negotiate transaction prices and brokerage commission rates for its clients. AINA, as a matter of policy and practice, seeks to obtain best execution for client transactions. We define best execution as the best combination of quality execution and price given the particular circumstances of a transaction.

In evaluating broker-dealers for selection, AINA weighs factors such as: quality of the price; capital position of the broker; ability to consummate and clear trades in an orderly and satisfactory manner; consistent quality of service; and broad market coverage resulting in a continuous flow of information regarding bids and offers. Initial approval of brokers is based on: approval by the Head of Fixed Income, fundamental credit analysis of the firm, approval of the overall scope of services of the broker and a determination of operational readiness.

Ongoing review and evaluation of the performance and execution abilities of broker-dealers includes periodic random review to evaluate execution price versus other market marks at the time of execution. AINA reviews cumulative data regarding the volume of activity through brokers, such as the gross volume of trades to identify exposure and confirm that the level of brokerage through specific brokers appears reasonable and appropriate.

Counterparty Selection

When trading derivatives, AINA seeks competitive bids for each derivative position, where feasible, and executes through counterparties with which it maintains agreements. A counterparty may be an over-the-counter trading partner or an exchange in the instance of listed contracts.

The Research Team initially approves the counterparty (or exchange) by determining whether it is credit worthy. Following this step, AINA's Derivatives Committee approves the counterparty and adds the counterparty to the approved list, after executing an ISDA Master Swap Agreement or other appropriate documentation.

AINA evaluates acceptable counterparty risk for a portfolio based on criteria including: counterparty quality, the nature of the contract and the size and maturity of the transaction. AINA maintains guidelines concerning collateralization and minimum counterparty standards that apply to derivative and forward currency transactions.

Client Directed Brokerage

Clients choosing to direct brokerage transactions through particular brokers or dealers should be aware that AINA's ability to negotiate commissions or purchase/sales prices for such clients may be hampered or reduced. Accordingly, AINA's typical practice is to avoid acceptance of advisory clients' instructions for directing a client's brokerage transactions to a particular broker-dealer unless approval to do so has been obtained by AINA's Chief Compliance Officer ("CCO"). However, if requested by a client and with the approval of the CCO, AINA will direct brokerage to a specific broker or designated participating brokers. In turn, the client may receive services or other monetary or non-monetary benefits when undertaking directed brokerage arrangements. AINA's participation in directed brokerage is first premised upon fulfilling its obligation to pursue best execution on behalf of the client.

Soft Dollar Arrangements

AINA does not currently engage in soft dollar arrangements. AINA does not endeavor to direct commissions to any broker to ensure receipt of research or other soft dollars benefits.

Order Allocation

AINA endeavors to allocate investments to all clients fairly and equitably over time with no particular client being favored over any other client. AINA's policy prohibits any practice of allocating trades or investments in a manner that favors AINA's proprietary accounts, affiliated accounts, or any particular client over other client accounts. Typically, all investment opportunities must be allocated to client accounts prior to a transaction. AINA typically allocates trades and investments to client accounts based on factors such as the client's investment objectives and restrictions, policies and guidelines, liquidity requirements, cash level, risk profile, legal or regulatory restrictions, asset liability management considerations and tax considerations, among other matters.

AINA takes steps to obtain reasonable assurance that clients receive fair allocation of investment opportunities over time by periodically reviewing portfolio performance and attribution dispersion information and reviewing composite performance as an indicator of equitable allocation over time. This enables AINA to identify and verify the reason for significant or notable variance in returns.

Aggregated Orders

AINA has adopted a trade allocation policy to govern trade aggregation. When AINA maintains trading authority over a client's assets, the trading desk generally aggregates multiple orders for the purchase or sale of the same security into block transactions. Aggregation of trades is at the discretion of the Portfolio Manager. Participation in a block transaction is generally based on: the client's investment objectives and policies, investment guidelines, liquidity requirements, legal or regulatory restrictions, asset liability management considerations, tax considerations, and the nature and size of the aggregated order, among other considerations. If multiple orders cannot be aggregated, AINA uses fair and reasonable methods to ensure that no groups or client accounts are disadvantaged over time when placing trades for these accounts.

- **Multiple Fills/ Brokers:** When aggregated trades are completed at different times during the day or with several dealers, each participating account generally receives a pro rata amount of each trade, typically based on the allocation determination described above.
- **Partially Filled Orders:** When an aggregated trade is only partially filled, i.e., the total amount of securities purchased is less than the amount requested in the aggregated trade, the securities are to be allocated generally on a pro rata basis to each participating account based on the initial amount requested at the time of the pre-allocation determination. Exceptions may be made for de minimis allocations.

Each client account that is involved in an aggregated transaction will participate at the average price for all transactions executed by AINA, on that business day. AINA allocates aggregated orders on a pro-rata basis to the client accounts typically in an amount proportional to the size of the order placed for each account. If more than one execution is required, the multiple executions are allocated pro-rata to participant accounts effectively resulting in execution at an average price.

There may be times when accounts do not participate in purchases or sales due to guideline constraints, account or transaction size, risk tolerance or cash flow considerations. A Portfolio Manager or Team may allocate a security only to clients in one investment mandate if the Portfolio Manager or Team believes that the security should be allocated only to clients in that mandate.

Derivatives Aggregation

AINA maintains practices regarding allocation of aggregated derivatives orders. If insufficient quantities are available to satisfy the full order, aggregated orders are transacted pro rata based on the original order size requested for each client.

Cross Transactions

Cross transactions create a conflict of interest for AINA in situations in which AINA represents both the client-seller and the client-buyer. Conflict may ensue in the form of an advantage provided to one account over another if AINA permits an account to buy a security directly from an account selling that security at a price that is lower than a third party is willing to pay. The buying account may reap the benefit of a lower purchase price and the selling account may be disadvantaged by receipt of proceeds in an amount less than that obtainable in the market. It is AINA's obligation to pursue a fair and reasonable price for both clients.

To that end, AINA's policies provide that cross transactions are permitted only if the Portfolio Manager believes the transaction is in the best interest of both accounts to engage in the transaction and adequate disclosure is provided to the clients regarding the nature of cross transactions to which both clients consent. Both client accounts are to receive best execution and AINA will not charge a brokerage commission or mark-up or mark-down in these instances.

Principal Transactions

AINA's policy and practice is generally not to engage in any transaction where, acting as principal for its own account or the account of an affiliate, it buys from or sells any security to a non-affiliated advisory client. In instances that AINA engages in a principal transaction, AINA seeks best execution and appropriate client consent. The client would not be charged a brokerage commission or a mark-up or a mark-down in such instances.

Trade Errors

AINA maintains trade error correction policies and procedures and seeks to manage the impact of errors pending investigation and evaluation of the circumstances surrounding it. AINA Operations records a written summary of an error and its resolution which is prepared for, retained, and presented to the Operational Risk Oversight Group. If AINA determines that it is responsible for the trade error, a client account is restored as if the trading error did not occur. If the client account is advantaged as a result of an error, the client receives the benefit. AINA's policies and procedures require it to inform a client of a trade error.

Item 13 Review of Accounts

Typically, the Portfolio Manager, Performance Team, Operations and/or Research Analysts review accounts on a daily basis or other appropriate interval. The number of accounts reviewed by each Portfolio Manager varies depending on the nature and size of the accounts under management. Matters which are reviewed include, but are not limited to, daily trading activity, client guidelines, portfolio composition, performance comparisons, current market activity, and economic outlooks. Portfolio Managers also may perform a review of a client's account status and activity upon the request of a client, when a material change in a client's investment objectives occurs, or when there is a material change to prevailing market conditions.

Analysis Relating to Fixed Income, High Yield and Private Fixed Income

Global Economic Outlook Review

On a bimonthly basis, investment personnel meet with the Global Economics Team to discuss Aviva Investors' base case and risk scenarios for the economic outlook in North America, the United Kingdom, and Europe. This may include an outlook for the labor market, the consumer, the housing market, GDP growth, monetary policy, and interest rates. A majority of AINA's investment personnel attend this meeting on a regular basis, including the Head of AINA's Fixed Income, the Head of AINA's Portfolio Management and Portfolio Managers and Analysts.

Asset Allocation Meeting

Approximately every six weeks, portfolio managers including AINA's Head of Fixed Income conduct an asset allocation meeting. Based on the anticipated investment environment, Analysts and Portfolio Management review forecasts for the various asset classes. AINA combines investment forecasts, developed by our Asset Class Specialists, with the historical volatility data and asset class returns to construct portfolios based on a proprietary asset allocation model. Portfolio Management reviews the model output based on current portfolio positioning and risk characteristics and devises strategic actions involving asset allocation positioning.

Quarterly Credit Strategy Meeting

On a quarterly basis, the head of AINA Credit Research and Research Analysts discuss the total return outlook for sectors in the upcoming months. Discussion of fundamental sector outlook and valuation ensue and results in determinations regarding expectations for

the top and bottom performing fixed income sectors. Subsequent to the meetings, these expectations are shared and considered along with the credit portfolio manager's evaluation as additional input to the sector allocation decision.

Monthly Portfolio Performance Review

On a monthly basis, all Portfolio Managers, including AINA's Head of Fixed Income, Head of High Yield and Research Analysts review and discuss investment results and performance attribution for the prior month, analyze and discuss portfolio positioning and risk characteristics for prospective periods and discuss specific strategies and actions to be taken with respect to asset allocation, security selection, duration and yield curve positioning.

Weekly Roundtable Meetings

On a weekly basis, investment personnel for each asset class conduct roundtable meetings including Portfolio Management and Research who review positions relative to the original investment thesis, the Analysts' recommendation and the specified exit strategies. Analysts and Portfolio Managers compare relative valuations and fundamentals across the investable universe to generate actionable ideas.

Daily Market Call

On a daily basis, investment personnel meet to discuss market developments, outlooks and opportunities, investment selections and matters of general relevance to the portfolios managed by AINA.

AINA may provide special review of a client's account and related activity at the request of a client, upon a material change in a client's investment objectives or when there is a material change to prevailing market conditions.

Analysis Relating to Emerging Markets Debt

AINA's Emerging Market Debt Team holds weekly formal policy meetings to examine emerging market themes and scenarios utilizing a range of economic and valuation models. The team reviews current portfolio positions and potential investment opportunities.

Analysis Relating to Global REITs

The Global REITs Team ("the Team") reviews client accounts daily to monitor guideline adherence. On a weekly basis, regional portfolio managers and analysts review each portfolio by geographic region, property type and quality of security selection. In addition, the Portfolio Managers, Analysts and Real Estate Research Team meet formally on a monthly basis to review the global economic outlook and regional geographic allocation of the portfolio. The Team is assisted by an independent Risk Management Team which evaluates security and portfolio risk along with key variables to guide the Team in the portfolio construction process. On a monthly basis, this Risk Management Team monitors the tracking error, beta, and systematic risk among other measures and conducts pre-trade scenario analysis to evaluate potential additional risks. The Risk Management Team formally meets with the Portfolio Managers monthly. An independent Performance Team provides attribution analysis on a weekly basis and engages in an active discussion to analyze performance with the Portfolio Managers once per month. Additional reviews may be conducted in response to factors including: large capital inflows to an account, market events and national disasters affecting real estate holdings.

In addition to the review noted above, the REIT Investment Governance Committee ("RIGC") is accountable for the investment control, performance and risk evaluation of the real estate securities funds managed by the Team. On a quarterly basis, the RIGC meets with Portfolio Managers to review, evaluate and forecast risk profiles of different funds, provide oversight on investment guidelines and constraints, review performance targets, evaluate performance against those targets and identify risks and performance issues.

Analysis Relating to Liability Driven Investing ("LDI")

On a quarterly basis, members of the AINA LDI Team meet with Portfolio Managers and Research Analysts to discuss LDI related matters, e.g. duration, asset allocation, cash flow matching, other client constraints and tolerances. LDI topics are client and product specific and may include discussions on funding mandates, progress towards target asset levels, expected future liability model enhancements and other items that are relevant to LDI management for our clients.

Analysis Relating to Derivatives

AINA regularly monitors the performance of derivatives and derivative strategies in clients' accounts. Portfolio Management has monthly strategy meetings during which it evaluates the efficacy of the derivatives and derivatives strategy based on client requirements.

Analysis Relating to Global Markets Alpha

The Global Markets Alpha Team (the "Team") monitors clients' top down risk budget and desired risk-return levels, daily, and formally each quarter. The Team reviews portfolio diagnostics weekly to establish consistency among similar accounts managed in this strategy. Moreover, the Team meets with alpha specialist teams, e.g., with the Sovereign Strategy Team, weekly and participates in monthly credit strategy meetings. Additionally, the Team meets on a monthly basis with the independent Risk Management Team to conduct a formal risk audit which supplements daily risk management reviews.

Analysis Relating to Global Convertible Securities

Daily, the Convertibles Team (the "Team") conducts reviews of clients' positions, discusses macro and micro market events and evaluates their impact on client portfolios. The reviews include an assessment of: economic data, interest rates, credit spreads, equity valuations, primary and secondary market activity, volatility levels, regional idiosyncrasies, and the level of convertible valuations. Monthly, the Team considers relevant top down factors that influence strategic and tactical positioning within client portfolios, including but not limited to, regional economic analysis, asset class valuation data, convertible market characteristics and market technical factors. Also, on a

monthly basis, the Portfolio Managers and corresponding Risk Managers meet to review the overall risk within the convertible portfolios. The review encompasses an analysis of the value at risk (VAR), tracking error and performance. The Team considers contributors to risk, significant performance drivers, market outlook and the probable impact on the portfolios on a monthly basis.

Client Reports

AINA typically provides written reports to its clients quarterly or more frequently if requested by a client. Client reports typically include account holdings, performance, market value of securities and trading activity. Reports may vary depending upon the underlying asset type. AINA does not provide publications or reports on a subscription basis.

Item 14 Client Referrals and Other Compensation

Neither AINA nor its employees receive compensation from third parties nor does AINA pay third parties to solicit on its behalf.

Item 15 Custody

Separate Accounts

AINA does not self-custody separate account client funds or securities. AINA uses the services of a qualified, independent custodian selected by a client prior to or at the time of contracting with AINA. Client custodians typically provide a statement to clients on a quarterly basis or other intervals. AINA regularly reconciles account balances from its internal accounting system with balances reflected in the custodians' records. We recommend that clients compare the information in AINA's account statements to the information in the statements provided by the custodian. Clients should contact the custodian about discrepancies or other questions.

Item 16 Investment Discretion

AINA generally receives discretionary authority to transact on behalf of a client at the outset of an advisory relationship. A client typically grants AINA discretion in a written investment management agreement. Occasionally, AINA operates on behalf of a client without discretion due to client instructions or other limitations. To its best ability, AINA employs discretion in a manner consistent with the documented client investment objectives and guidelines pertaining to that client account.

Item 17 Voting Client Securities

As part of its advisory services, AINA will vote proxies of portfolio securities for its clients, unless the client retains authority to vote proxies. Because AINA primarily focuses on fixed income securities, proxies are an infrequent event. If AINA does receive a proxy on a client's behalf, it will vote in the client's best interests.

Prior to voting, portfolio managers will evaluate the existence of real or potential conflicts of interests. Any portfolio manager or employee who has concern about conflict is to inform the CCO. When a conflict is detected in the voting of proxies, e.g., an existing client business relationship with an issuer or undue influence exerted by an agent of the issuer on a voting portfolio manager, the portfolio manager is to consult AINA's CCO, who shall develop an approach intended to resolve or mitigate the conflict. At his discretion, the CCO may convene the Proxy Committee, which is comprised of internal senior managers. The Proxy Committee may act upon the majority decision of the members participating in any meeting.

Typically, in voting proxies, AINA considers the opinion of company management, concerns regarding shareholder value and the issuer's business and practices. Generally, AINA votes with management on routine matters and votes against proposals that diminish shareholder rights reduce the proportionate share of current shareholdings or promote unequal voting rights. Other matters are considered on a case-by-case basis and AINA is typically guided by the principle of promoting the best interests of shareholders.

Upon written request, AINA will provide its clients information on how proxies were voted for their account(s). A copy of AINA's Proxy Voting Policy may be obtained by writing to:

Chief Compliance Officer

ATTN: Proxy Policy Request
Aviva Investors North America, Inc.
215 10th Street, Suite 1000
Des Moines, IA 50309

Item 18 Financial Information

AINA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the sub