

# Aviva Investors – Emerging Markets Local Currency Bond Fund

Simplified Prospectus – March 2009



A SICAV authorised under the Luxembourg Law of 20 December 2002

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### **Aviva Investors – Emerging Markets Local Currency Bond Fund** **(the "Sub-Fund")**

This simplified prospectus contains key information about the Sub-Fund. If you would like more information before you invest, please consult the full prospectus of Aviva Investors (the "Company") which contains information on all sub-funds of the Company. For details about the Sub-Fund's holdings please see the Company's most recent annual or semi-annual report. The rights and duties of the investor as well as the legal relationship with the Sub-Fund are set out in the full prospectus of the Company (the "Prospectus"). The Prospectus and the periodical reports may be obtained free of charge from the Company and from all distributors.

The Company is organised as a société anonyme under the laws of the Grand Duchy of Luxembourg and is qualified as a société d'investissement à capital variable with multiple sub-funds. The Company was incorporated in Luxembourg on 16 January 1990 and is subject to the Luxembourg law of 10 August 1915 on commercial companies, as amended, and Part I of the Luxembourg law of 20 December 2002 on undertakings for collective investment, as amended. The Company operates separate sub-funds and may issue shares (the "Shares") within each sub-fund in different classes (herein referred to as "Class or Classes"). This simplified prospectus does not comprise a description of all the current sub-funds of the Company, for which separate simplified prospectuses are available.

#### **Investment Objectives and Policy**

The aim of the Sub-Fund is to achieve capital growth and income by investing in local currencies and bonds of issuers in worldwide emerging countries.

To achieve the investment objective, investments may also be made in bonds issued by governmental, quasi governmental and corporate issuers, in credit linked notes and in financial derivative instruments such as futures, options, swap contracts, swaptions, forward currency exchange contracts, foreign exchange OTC options and credit default swaps, each of which may be traded either through recognised exchanges or via the over-the-counter market.

At all times at least two-thirds of its total assets (excluding liquidities) will be invested in bonds denominated in local currencies of governmental, quasi governmental or corporate issuers which have their registered office in worldwide emerging market countries or exercise the predominant part of their economic activities in such countries.

Investments in shares or other participation rights, and in convertible bonds are not permitted.

Within the limit of its risk profile, the Sub-Fund will use a variety of investment strategies and instruments, including but not limited to currency forwards, non-deliverable currency forwards, interest rate swaps, cross-currency swaps, futures, options and forward rate agreements. Opportunistically, the Sub-Fund intends to take full advantage of the ability to invest in financial derivative instruments to create both long and synthetic covered short positions with the aim of maximizing positive returns. This will notably allow a more efficient risk budgeting while meeting the tracking error objective without additional or unwanted risk.

The Sub-Fund may also, for hedging purposes, use financial derivative instruments and techniques and instruments within the limits set forth in Appendix A "Investment and Borrowing Powers and Restrictions" of the Prospectus.

### **Sub-Fund Risk Profile**

The Sub-Fund will invest in emerging markets countries. Shareholders of the Sub-Fund should be aware that investment in emerging markets carries a higher degree of risk than that normally associated with investment in more developed markets. In particular, investments in such markets may be affected by changes in government policies including changes in economic policy and taxation, restrictions on foreign investment and on foreign currency repatriation. Also, companies in such markets may not be subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable in more developed countries.

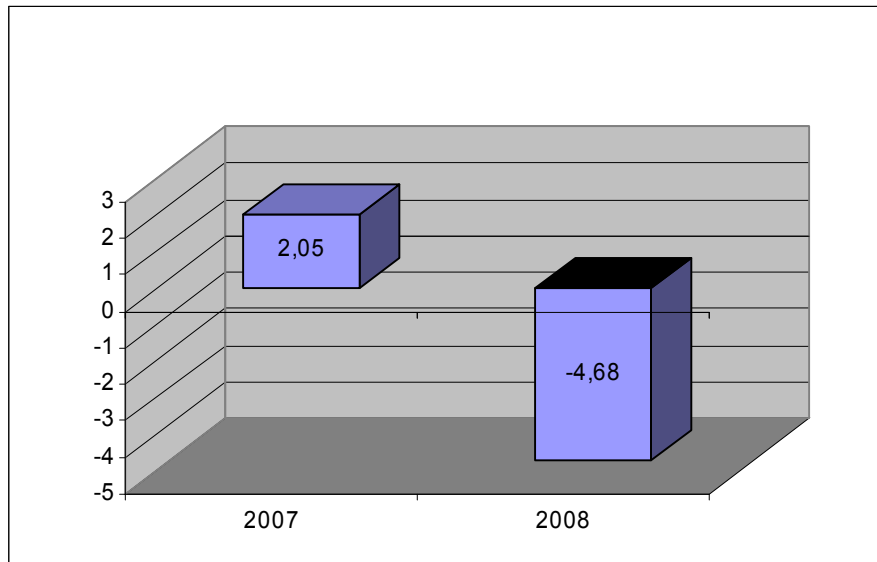
As described in the investment objectives above, the Sub-Fund may use financial derivative instruments. Because of the low margin deposits normally required in trading financial derivative instruments, a high degree of leverage is typical for trading in financial derivative instruments. As a result, a relatively small price movement in the underlying of a derivative contract may result in substantial losses to the Sub-Fund's assets.

There can be no guarantee that the Sub-Fund will meet its investment objectives. Information relating to the risk management of the Sub-Fund will be provided to investors upon request.

For further details, please consult the Prospectus.

### **Historical performance of the Sub-Fund up to 31 December 2008 (for B Share Class only)\***

**Annual total return (%)**



\* The historical performance of other Share Classes is similar but may vary according to the amount of fees charged or as a result of other specific features such as their dividend policy. Historical performance may also vary as a result of the currency denomination or hedging policy applicable in relation to any specific Share Class.

### **Notice**

Past performance is not a guide to the future performance of the Sub-Fund. The value of an investment and the income from it can go down as well as up and you may not get back the amount you invested. Future

returns will depend on the development of interest rates and the impact this will have on global bond markets and on how successful the Investment Adviser is in executing the Sub-Fund's investment policy.

### **Profile of a Typical Investor**

Considering the investment objectives, as stated above, the Sub-Fund may appeal to investors looking to:

- Gain exposure to emerging market fixed income securities
- Receive returns through the receipt of dividends or in the form of capital growth
- Make an investment for the medium to long term

Notwithstanding the above, any investment in this Sub-Fund should only be made after the long term financial objectives and requirements of the investor and the "Risk Warnings" set out in the Prospectus have been duly considered.

### **Treatment of income**

In relation to A, B, C and I Share Classes no distributions will be made and all interest and other income earned by the Sub-Fund on its investments will be reflected in the net asset value of the Shares (the "Net Asset Value"). In relation to Ax, Bx and Ix Share Classes, it is the intention of the board of directors of the Company periodically to distribute substantially all the net income earned on investment.

### **Fees / Share Classes**

<b><u>SHARE CLASSES IN ISSUE</u></b>				
<b>Share class</b>	<b>Restriction</b>	<b>Currency</b>	<b>Acc/Div</b>	<b>Minimum Investment</b>
A€	None	EUR	Acc	€2,000
A£x	None	GBP	Div	£2,000
A\$**	None	USD	Acc	\$2,000
B€	None	EUR	Acc	€2,000
B£x	None	EUR	Div	€2,000
C€	None	EUR	Acc	€2,000
I€	Institutional	EUR	Acc	€500,000
I£x	Institutional	GBP	Div	£500,000
I\$**	Institutional	USD	Acc	\$500,000

<b><u>APPLICABLE FEES</u></b>				
<b>Fees / Share Classes</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>I</b>
<b>SHAREHOLDERS TRANSACTION FEE</b>				
<b>Initial charge ***</b>	max 5%	max 5%	max 6%	max 5%
<b>Redemption charge</b>	max 1%	max 1%	max 1%	max 1%
<b>Conversion charge ****</b>	max 1%	max 1%	max 1%	max 1%
<b>ANNUAL OPERATING EXPENSES</b> (Expenses are paid out of the Sub-Fund's assets. They are fully reflected in the Share price or distributions and are not charged directly to shareholder accounts.)				
<b>Management fees</b>	1.50% p.a.	1.50% p.a.	1.50% p.a.	0.75% p.a.
<b>Distribution fee</b>	n/a	0.25%	0.75%	n/a
<b>Custodian safe-keeping fees (estimated)</b>	0.01%	0.01%	0.01%	0.01%
<b>Administrator fees</b>	max 0.15%	max 0.15%	max 0.15%	max 0.15%
<b>Performance fees</b>	n/a	n/a	n/a	n/a

\*\* Not available for investment until a later date to be decided by the Management Company.

\*\*\* In addition, the Management Company may charge an amount, to the benefit of the relevant Sub-Fund, representing dealing costs not exceeding 1 per cent of the Net Asset Value.

\*\*\*\* Conversions to C Shares may entail additional charges as more closely described in the Prospectus.

For further details, please consult the Prospectus.

## **Taxation**

Under present Luxembourg law and practice, the Company is not liable to any Luxembourg income tax nor are dividends paid by the Company liable to any Luxembourg withholding tax (subject to the provisions of the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments, as implemented in Luxembourg law and as more fully described in the Prospectus). No Luxembourg capital gains tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

The Sub-Fund is liable in Luxembourg to a tax of 0.05 % per annum of its net assets. Class I Shares are subject to a reduced tax of 0.01% per annum of the value of their net assets, any such tax being payable quarterly on the basis of the value of the net assets of the Sub-Fund at the end of the relevant calendar quarter.

The impact of an investment in the Company on the individual tax bill of an investor depends on the fiscal regulations applicable in his or her particular case. Consulting a local tax adviser is therefore recommended.

## **Daily price publication**

The Net Asset Value, the issue price and the redemption price may be obtained from the Management Company and will be published in the financial press as well as on the website: [www.avivainvestors.com](http://www.avivainvestors.com).

## **How to buy/sell shares**

You can buy, sell or convert Shares directly from the Company and/or an authorised distributor. The Company has agreements with distributors in various European countries where the Sub-Fund is officially registered. These agreements allow the distributors to sell the Sub-Fund's Shares. The list of these distributors can be obtained at the address mentioned below.

Applications for issue, redemption or conversion should be received prior to 13:00 CET on any bank business day in Luxembourg with the exception of the Friday before Easter Monday (Good Friday) and 24 December (Christmas Eve).

The minimum initial investment is described in the table above in the section Fees/Share Classes.

## **Additional important information**

<b>Legal Structure:</b>	Emerging Markets Local Currency Bond Fund, a sub-fund of Aviva Investors
<b>Management Company:</b>	Aviva Investors Luxembourg, 34, avenue de la Liberté, 4th Floor, L-1930 Luxembourg
<b>Investment Adviser:</b>	Aviva Investors Global Services Limited, No 1 Poultry, EC2R 8EJ London, United Kingdom
<b>Supervisory Authority:</b>	Commission de Surveillance du Secteur Financier (www.cssf.lu)
<b>Depository Bank:</b>	J.P. Morgan Bank Luxembourg S.A., 6, route de Trèves, L-2633 Senningerberg
<b>Auditor:</b>	Ernst & Young S.A., 7, Parc d'Activité Syrdall, L-5365 Munsbach
<b>Promoter:</b>	Aviva group of companies
<b>Launch Date:</b>	24.11.2006

**Out-of-court complaints and redress mechanism: FIN-NET**

[www.ec.europa.eu/internal\\_market/finances-retail/finnet/guide\\_en.htm](http://www.ec.europa.eu/internal_market/finances-retail/finnet/guide_en.htm)

Investors in the Sub-Fund are not eligible for the Investors Compensation scheme in the UK.

## **Local agents**

Your local distributor's office.

## **Further information**

For further information please contact Aviva Investors Shareholders services department at the following address:

Aviva Investors Luxembourg, 34, avenue de la Liberté, 4<sup>th</sup> Floor, L-1930 Luxembourg

Tel: +352 40 28 20 261 or Fax: +352 26 68 72 06

Email: [helpdesk.lu@avivainvestors.lu](mailto:helpdesk.lu@avivainvestors.lu) or at the following internet address: [www.avivainvestors.com](http://www.avivainvestors.com)

This simplified prospectus contains only basic information on the Sub-Fund and the Company. The latest Prospectus, periodic reports and local offering document (if applicable) contain more information regarding charges, entry fees and minimum subscription amount.