

Aviva Life Investments International (General Partner) Limited

Registered in England and Wales No. 07019488

Financial Statements for the year ended 31 December 2021



267-22 245

Directors and officers

Directors

P Biscay
A Dafria
K Goodby
M Wood

Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Registered Office

Aviva
Wellington Row
York
YO90 1WR

Company Number

Registered in England and Wales no. 07019488

Other Information

The Company is a member of the Aviva plc group of companies ("the Group")

Statement of financial position

As at 31 December 2021

	Note	31-Dec-2021 £	31-Dec-2020 £
Assets			
Investments in partnerships and subsidiaries	5	1	1
Receivables		-	-
Total assets		<u>1</u>	<u>1</u>
Equity			
Ordinary share capital	4	1	1
Retained earnings		-	-
Total equity		<u>1</u>	<u>1</u>
Liabilities			
Deferred tax liabilities		-	-
Payables and other financial liabilities		-	-
Total liabilities		<u>-</u>	<u>-</u>
Total equity and liabilities		<u>1</u>	<u>1</u>

For the year ended 31 December 2021:

- (a) The Company was entitled to the exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- (b) The member has not required the company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006.
- (c) The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The notes (identified numerically) on page 3 are an integral part of the financial statements.

The financial statements were approved by the Board of directors on 20 July 2022 and were signed on its behalf by



A Dafria
Director

Notes to the financial statements

1. General information

The Company, a limited company incorporated and domiciled in the United Kingdom (UK), acted as General Partner for Aviva Life Investments International Limited Partnership during the year.

The Company did not trade during the year and has made neither profits nor losses. Consequently no profit and loss account has been prepared.

2. Expenses

All expenses have been borne by a fellow Group undertaking.

3. Directors' remuneration

None of the directors received emoluments in respect of their services as directors of the Company (2020: £nil).

4. Ordinary share capital

	31-Dec-2021 £	31-Dec-2020 £
Allotted, called up and fully paid Ordinary shares of £1 each	1 1	1 1

5. Investments

	31-Dec-2021 £	31-Dec-2020 £
Investments at 1 January	1	1
Additions	-	-
Written off	-	-
Balance at 31 December	1 1	1 1

Investments in partnerships represent a \$1 investment in Aviva Life Investments International Limited Partnership.

6. Director changes

There were no director changes during 2021.

7. Ultimate controlling party

The immediate holding company is Aviva Life Holdings UK Limited, a company registered in England.

The ultimate controlling party is Aviva plc, a company registered in England. Its Group accounts are available on www.aviva.com or by application to the Group Company Secretary, Aviva plc, St. Helen's, 1 Undershaft, London EC3P 3DQ.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.
Registered in England No: LP019749

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 70194488

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

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AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

PARTNERS, ADVISERS AND OTHER INFORMATION

Directors of the General Partner

Mark Wood
Ashish Dafria
Pierre Biscay
Keith Goodby

General Partner

Aviva Life Investments International (General Partner) Limited
Aviva,
Wellington Row,
York, YO90 1WR
United Kingdom

Fund Manager

Aviva Life Investments International (General Partner) Limited
Aviva,
Wellington Row,
York, YO90 1WR
United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP
29 Wellington Street
Leeds
LS1 4DL

Registered Office

Aviva,
Wellington Row,
York, YO90 1WR
United Kingdom

Registered Number

Registered in England and Wales: No. LP019749

Other Information

The entity is a member of the Aviva plc group of companies ("the Group").

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of the General Partner (the "Directors") present their strategic report of Aviva Life Investments International L.P. (the "Partnership") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES OF THE PARTNERSHIP

The Partnership is registered in the United Kingdom and its principal activity is to undertake the business of identifying, researching, negotiation, making, holding, managing, monitoring and realising investments in US mortgage-backed securities and to carry out all functions and acts in connection therewith in partnership.

OBJECTIVE AND STRATEGY

The main objective of the Partnership is generating profit for the Partners, including the creation of capital growth and realising capital gains and receiving income.

The Partnership, acting through the General Partner, may execute, deliver and perform all contracts and other undertakings, whether as agreements, deed, powers of attorney or otherwise, and engage in all activities as may, in the opinion of the General Partner, be necessary or advisable in order to carry out the foregoing purposes and objectives.

SECTION 172 (1) STATEMENT AND OUR STAKEHOLDERS

The Directors report here on how they have discharged their duties under Section 172 (1) of the Companies Act 2006 during 2021.

The General Partner is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Partnership to ensure that the Partnership's obligations to its shareholder and stakeholders are met. It monitors adherence to the Aviva Group (the "Group") business standards and compliance with the Aviva Governance Framework.

For each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process.

Aviva is also focused on the wider social context within which our businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

The culture is shaped, in conjunction with the General Partner's parent company, Aviva Life Holdings UK Limited and its ultimate shareholder, Aviva plc by our clearly defined purpose – with you today for a better tomorrow. As the provider of financial services to millions of customers, Aviva seeks to earn their trust by acting with integrity and a sense of responsibility at all times. We look to build relationships with all our stakeholders based on openness and transparency and we value diversity and inclusivity in our workforce and beyond.

Stakeholder Engagement

The table below sets out our approach to stakeholder engagement during 2021:

Stakeholders	Why are they important to Aviva?	What is our approach to engaging with them?
Employees	Our people's well-being and commitment to serving our customers is essential for our long-term success.	<ul style="list-style-type: none"> The entity has no employees. The majority of staff engaged in the activities of the entity are employed by fellow subsidiary undertakings of Aviva plc. As part of the Aviva Group, these staff enjoy the benefit of the Aviva Group policies and benefits made available to them. The entity's engagement mechanisms align with those of the Aviva Group, such as employee forums, internal communication channels, and informal meetings with the Directors and employee engagement surveys.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

SECTION 172 (1) STATEMENT AND OUR STAKEHOLDERS (CONTINUED)

		<ul style="list-style-type: none"> Aviva is committed to recruiting, training and retaining the best talent we can find. We are proud to have been a pioneer in some areas of employee benefits, including providing six months paid parental leave for all UK employees. Aviva's people share in the businesses' success as shareholders through membership of the Group's global share plans. Aviva supported the safety and well-being of staff through the provision of equipment to enable all employees to work from home through the Covid-19 pandemic as well as transitioning to a hybrid way of working in mid- 2021.
Suppliers	We operate in conjunction with a wide range of suppliers to deliver services to our customers. It is vital that we build strong working relationships with our intermediaries.	<ul style="list-style-type: none"> All supplier related activity is managed in line with the Group's Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure. An important part of Aviva's culture is the promotion of high legal, ethical, environmental and employee related standards within our business and also among our suppliers. Before working with any new suppliers we provide them with the Aviva Supplier Code of Behaviour, and our interaction with them is guided by Aviva's Business Code of Ethics. In the UK, Aviva is a signatory of the Prompt Payment Code which sets standards for high payment practices. Aviva is a Living Wage employer in the UK, and our supplier contracts include a commitment to paying eligible employees not less than the Living Wage in respect of work provided at premises in the UK.
Communities	We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships. As a major insurance group we are fully engaged in building resilience against the global impact of climate change.	<ul style="list-style-type: none"> Recognising climate change presents risk and opportunities for customers, communities and business, Aviva is signed up to the United Nations Net-Zero Asset Owner Alliance commitment.
Shareholders	Our retail and institutional shareholders are the ultimate owners of the entity.	<ul style="list-style-type: none"> Our ultimate shareholder is Aviva plc. Any matters requiring escalation are escalated by the Board of the General Partner through the Chair to its parent.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)****PARTNERSHIP PERFORMANCE**

The financial position of the Partnership at 31 December 2021 is shown in the statement of financial position on page 12, with the results shown in the statement of comprehensive income on page 11.

The business review is required to contain financial and, where applicable, non-financial key performance indicators ("KPIs"). No non-financial KPIs are considered relevant for the business review. The Directors consider that, in line with the activities and objectives of the business, the financial KPIs set out below are those which communicate the performance of the Partnership as a whole. These KPIs comprise:

	1 January 2021 to 31 December 2021 \$	1 January 2020 to 31 December 2020 \$
Net asset value (NAV)	108,157,487	72,208,201
Distributions for the year	(2,662,000)	(2,461,000)
Total comprehensive income for the year	1,837,286	4,888,868

EVENTS AFTER THE REPORTING PERIOD

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue by the Director and there are no other material events to be disclosed or adjusted for in these financial statements.

On 24 February 2022, on-going tensions between Russia and Ukraine developed into full-scale armed conflict between the two countries. The Group is monitoring and responding to this dynamic situation. The conflict has no perceived material impact on these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks arising in the Partnership are market, interest rate, credit, operational and liquidity risks.

For and on behalf of the Partnership:

Ashish Dafria

Ashish Dafria signing on behalf of Aviva Life Investments International (General Partner) Limited
20 July 2022

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors of the General Partner (the "Directors") present their annual report and the audited financial statements of the Partnership (hereafter "the financial statements") for the year ended 31 December 2021.

RESULTS AND DISTRIBUTIONS

The total net assets of the Partnership as at 31 December 2021 is \$108,157,487 (2020: \$72,208,201).

The total comprehensive income for the year ended 31 December 2021 amounted to \$1,837,286 (2020: \$4,888,868).

The total distributions for the year ended 31 December 2021 amounted to \$2,662,000 (2020: \$2,461,000).

PARTNER'S ACCOUNTS

Partner's accounts consist of capital contributions and non interest bearing loans. The Partnership has classified the Partner's accounts as a financial liability based on the contractual arrangements within the Limited Partnership Agreement (LPA) which require repayment of the net assets/liabilities upon wind up of the Partnership.

The Partner's accounts include capital contributions and loan advance as follows:

**1 January 2021
to
31 December 2021**

	Loan Contributions \$	Loan Advance \$
Limited Partners	36,774,000	-
General Partner (GP)	~	-
Total	<u>36,774,000</u>	<u>-</u>

GOING CONCERN

After making assessments, the Directors have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements at least 12 months from authorisation.

INDEPENDENT AUDITORS

Under the Competition and Markets Authority Regulations, the Group is required to tender for the provision of the external audit every 10 Years. PricewaterhouseCoopers LLP was appointed for the first time for the 31 December 2012 financial year end and therefore a mandatory re-tender was required for the year ending 31 December 2022. The audit tender process was initiated during 2020 but, as previously reported, Covid-19 restrictions caused delays and Aviva sought a two-year extension from the FRC which was granted. Following a full and rigorous competitive tender process, which was overseen by the Company's Audit Committee, the selection of Ernst & Young LLP for the year ending 31 December 2024 was approved by the Group Board. PricewaterhouseCoopers LLP will continue in its role and, subject to reappointment by the Company's shareholders at the 2022 and 2023 Annual General Meetings, will undertake the audit for the financial years ending 31 December 2022 and 2023.

DISCLOSURE OF INFORMATION TO THE INDEPENDENT AUDITORS

Each person who was a Director of the General Partner on the date that this report was approved confirms that:

- (a) so far as the Director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the Partnership's auditors are unaware; and
- (b) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

**GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)****DISCLOSURE OF INFORMATION TO THE INDEPENDENT AUDITORS (CONTINUED)**

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The general partner is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the general partner to prepare financial statements for each financial year. Under that law the general partner has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, a general partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing the financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The general partner is responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The general partner is also responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

Ashish Dafria

Ashish Dafria signing on behalf of Aviva Life Investments International (General Partner) Limited
20 July 2022

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**Report on the audit of the financial statements****Opinion**

In our opinion, Aviva Life Investments International L.P.'s financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income, the statement of changes in net assets attributable to partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1

Independence

We remained independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Partnership's ability to continue as a going concern.

Our responsibilities and the responsibilities of the general partner with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

FALSE

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and General Partner's report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying Partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying Partnerships requires us also to report certain opinions and matters as described below.

Strategic Report and General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and General Partner's report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and General Partner's report.

Responsibilities for the financial statements and the audit*Responsibilities of the general partner for the financial statements*

As explained more fully in the Statement of general partner's responsibilities in respect of the financial statements, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

INDEPENDENT AUDITORS' REPORT (CONTINUED)**Responsibilities for the financial statements and the audit (continued)***Auditors' responsibilities for the audit of the financial statements (continued)*

Based on our understanding of the Partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journals and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquired of management and those charged with governance around actual and potential litigation and claims;
- enquired of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- reviewed minutes of meetings of those charged with governance;
- reviewed financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- performed procedures over the risk of management override of controls, including through testing journal entries based on specific risk criteria and other adjustments for appropriateness and testing accounting estimates (considering the risk of management bias).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the partners of the qualifying Partnership as a body in accordance with the Companies Act 2006 as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of general partner's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



James Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
21 July 2022

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	1 January 2021 to 31 December 2021 \$	1 January 2020 to 31 December 2020 \$
INCOME			
Finance income	4	2,913,946	2,646,170
Net unrealised (loss)/gain from financial assets at fair value through profit and loss	3	(737,152)	2,505,575
TOTAL INCOME		<u>2,176,794</u>	<u>5,151,745</u>
EXPENSES			1
Administrative expenses	5	182,372	164,404
Operating expenses	6	157,136	98,473
TOTAL EXPENSES		<u>339,508</u>	<u>262,877</u>
OPERATING PROFIT		<u>1,837,286</u>	<u>4,888,868</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,837,286</u></u>	<u><u>4,888,868</u></u>

(The notes on pages 14 to 19 form an integral part of these financial statements)

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Note	<u>31 December 2021</u> \$	<u>31 December 2020</u> \$
NON-CURRENT ASSETS			
Investments at fair value through profit or loss	9	107,934,437	71,984,089
CURRENT ASSETS			
Trade and other receivables	8	204,278	203,729
Cash and cash equivalents		22,239	22,394
		226,517	226,123
TOTAL ASSETS		108,160,954	72,210,212
CURRENT LIABILITIES			
Trade and other payables		3,467	2,011
NET ASSETS		108,157,487	72,208,201
NET ASSETS ATTRIBUTABLE TO PARTNERS		108,157,487	72,208,201

These audited financial statements were approved and authorised for issue by the Board of Directors of the General Partner on 20 July 2022 and were signed on its behalf by:

Ashish Dafria

Ashish Dafria signing on behalf of Aviva Life Investments International (General Partner) Limited

(The notes on pages 14 to 19 form an integral part of these financial statements)

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTNERS****FOR THE YEAR ENDED 31 DECEMBER 2021**

	General Partner	Limited Partners	Total
	\$	\$	\$
Balance at 1 January 2020	-	69,704,333	69,704,333
Total comprehensive income for the year	-	4,888,868	4,888,868
Loan contributions during the year	-	76,000	76,000
Distributions to partners during the year	(2,000)	(2,459,000)	(2,461,000)
Balance at 31 December 2020 and at 1 January 2021	(2,000)	72,210,201	72,208,201
Total comprehensive income for the year	-	1,837,286	1,837,286
Loan contributions during the year	-	36,774,000	36,774,000
Distributions to partners during the year	(1,000)	(2,661,000)	(2,662,000)
Balance at 31 December 2021	(3,000)	108,160,487	108,157,487

(The notes on pages 14 to 19 form an integral part of these financial statements)

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

Aviva Life Investments International L.P. (the "Partnership") is a limited partnership and is incorporated and domiciled in the United Kingdom (UK). Its registered office is at Aviva, Wellington Row, York, YO90 1WR, United Kingdom.

The financial statements of the Partnership comprise the Statement of Comprehensive Income, the Statement of Financial Position, and the Statement of Changes in Net Assets Attributable to Partners together with the related notes.

The Partnership is registered in the UK and its principal activity is to carry on the business of identifying, researching, negotiating, making, holding, managing, monitoring and realising investments in US mortgage-backed securities, and to carry out all functions and acts in connection therewith in partnership, with the principal objective of generating profit for the Partners, including the creation of capital growth and realising capital gains and receiving income.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of Aviva Life Investments International LP have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 as applied to qualifying partnerships by Partnerships (Accounts) Regulations 2008 and to take advantage of FRS 101 disclosure exemptions.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 1 January 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Items included in the financial statements of the Partnership are measured using the currency of the primary economic environment in which the Partnership operates ("the functional currency"). The financial statements are presented in "US Dollar" (\$), which is also the Partnership's functional currency.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, "Financial instruments: Disclosures"
- Paragraphs 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of investments)
- The following paragraphs of IAS 1, "Presentation of financial statements":
 - 10(d) (statement of cash flows);

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

(a) Basis of preparation - (continued)

- 16 (statement of compliance with all IFRS);
- 111 (statement of cash flows information);
- 134-136 (capital management disclosures).
- IAS 7, "Statement of cash flows".
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation).
- The requirements in IAS 24, "Related party disclosures", to disclose related party transactions entered into between two or more members of a group.
- Paragraph 18A of IAS 24, "Related party disclosures", related to key management services provided by a separate management entity.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have a material impact on the Partnership's financial statements.

(b) Going concern basis

The General Partner (the "GP") has reviewed the current and projected financial position of the Partnership, making reasonable assumptions about future trading performance. After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the General Partner continues to adopt the going concern basis in preparing these financial statements at least 12 months from authorisation.

(c) Net Asset Value ("NAV") valuation

The NAV per unit which investors acquire units at includes establishment costs, which are expenses in the Statement of Comprehensive Income.

(d) Investments at fair value through profit or loss

Investments at fair value through profit or loss comprise a portfolio of loans. The investments are measured at fair value.

The different levels of the fair value hierarchy as specified in accordance with IFRS 13 "Fair Value Measurement" are defined below:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly i.e. as prices or indirectly i.e. derived from prices.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(e) Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full. Balances are written off when the probability of recovery is assessed as being remote.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2021****2 SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****(f) Cash and cash equivalents**

Cash and cash equivalents comprise of cash and cash on deposit with banks, both of which are immediately available.

(g) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(h) Partner's accounts

Partner's accounts consist of capital contributions and non interest bearing loans. The Partnership has classified the Partner's accounts as a financial liability based on the contractual arrangements within the Limited Partnership Agreement (LPA) which require repayment of the net assets/liabilities upon wind up of the Partnership.

(i) Administrative expenses

Administrative expenses include all costs not directly incurred in the operation of the Partnership's investment portfolio. This includes administration and management expenses.

(j) Operating expenses

Operating expenses are recognised at cost in the Statement of Comprehensive Income on an accrual basis.

(k) Finance income

Finance income comprises interest income which is recognised as it accrues using the effective interest method.

Interest income on loans to related parties is recognised as it accrues using the effective interest method.

(l) Distributions

Income produced by the Partnership's investment in loans is distributed to the Partners. Total income, excluding net unrealised (loss)/gain from financial assets at fair value through profit and loss, is \$2,574,438 (2020: \$2,383,293). The distributions from accumulated distributable reserves to the partners for the year were \$2,662,000 (2020: \$2,461,000).

The General Partner is required to ensure that no distribution is made that would render the Partnership insolvent or unable to pay its expenses for the twelve month period following a distribution, having regard to the expected receipts of the Partnership.

Net income and capital proceeds shall be distributed in the following order of priority (after payment of the expenses and liabilities of the Partnership):

(i) first, to the General Partner in respect of the Priority Profit Share that has accrued but not yet been paid to the General Partner; and

(ii) second, to the Limited Partner in respect of the balance (if any).

(m) Taxation

The provisions of Section 1258 of the Corporation Tax Act 2009 require the taxable gains and losses of a limited partnership to be assessable directly upon the partners. Accordingly no provision has been made for taxation in these financial statements.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)****(m) Taxation - (continued)**

The Partnership is not subject to taxation and no provision for taxation on the Partnership profits has been made in the financial statements. Any tax on income or capital is the responsibility of each individual partner. The Partners settle tax expenses in the form of US State Taxes.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Partnership's Financial Statements requires the General Partner to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key accounting judgements and sources of estimation uncertainty are in respect of the determination of the fair value of financial assets at fair value through profit and loss. The methodology used in determining fair values is disclosed in note 2, along with details of the key judgements and estimations made. The carrying amount of Investments at fair value through profit and loss as at year end was \$107,934,437 (2020: \$71,984,089) after recognising unrealised loss of \$737,152 (2020 unrealised gain: \$2,505,575) during the year.

4 FINANCE INCOME

	1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
	\$	\$
Loan interest income	2,897,376	2,609,080
Administration fee income	16,000	37,090
Bank interest income	570	-
	<u>2,913,946</u>	<u>2,646,170</u>

5 ADMINISTRATIVE EXPENSES

	1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020
	\$	\$
Management fees	182,372	164,333
Bank charges	-	71
	<u>182,372</u>	<u>164,404</u>

The Partnership had no employees in the current year (2020: none). The Directors received no emoluments for services to the Partnership for the financial year (2020: nil).

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

6 OPERATING EXPENSES	1 January 2021 to 31 December 2021 \$	1 January 2020 to 31 December 2020 \$
Tax expenses	157,136	98,473
7 AUDITORS' REMUNERATION	1 January 2021 to 31 December 2021 \$	1 January 2020 to 31 December 2020 \$
Audit fees payable	62,713	59,864
8 TRADE AND OTHER RECEIVABLES	31 December 2021 \$	31 December 2020 \$
Debtors	204,278	203,729

The carrying value of the trade and other receivables approximates to fair value due to their relatively short maturity and no indication of impairment to date.

9 FINANCIAL INSTRUMENTS**Financial instruments by category****Investments, receivables and cash**

	31 December 2021 \$	31 December 2020 \$
Assets per statement of financial position		
Investments at fair value through profit or loss	107,934,437	71,984,089
Trade and other receivables	204,278	203,729
Cash and cash equivalents	22,239	22,394
	<u>108,160,954</u>	<u>72,210,212</u>

Financial liabilities at amortised cost

	31 December 2021 \$	31 December 2020 \$
Liabilities per statement of financial position		
Trade and other payables	3,467	2,011

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****10 NET ASSETS ATTRIBUTABLE TO PARTNERS**

	Limited Partner 100% \$
Contributions (Distributions) to Partners	
At 1 January 2021	62,549,801
Proceeds received	36,774,000
Distributions paid	(2,662,000)
At 31 December 2021	96,661,801
Income account	
At 1 January 2021	9,658,400
Total comprehensive income for the year	1,837,286
At 31 December 2021	11,495,686
Net assets attributable to Partners at 31 December 2020	72,208,201
Net assets attributable to Partners at 31 December 2021	108,157,487

The GP has nil ownership and so no net assets attributable to the GP have been disclosed.

11 RELATED PARTY TRANSACTIONS

	1 January 2021 to 31 December 2021	31 December 2021	1 January 2020 to 31 December 2020	31 December 2020
	Net income earned in year \$	Net receivable at year end \$	Net income earned in year \$	Net receivable at year end \$
GP	-	-	-	-
Limited Partners	2,574,438	200,811	2,383,293	201,718

The General Partner shall not make a capital contribution to the Partnership.

As at 31 December 2021, loan contributions of \$36,774,000 (2020: \$76,000) was made by the Limited Partner.

As at 31 December 2021, distributions of \$2,661,000 (2020: \$2,459,000) was made to the Limited Partner.

In line with the exemptions available in FRS 101 the Company has elected not to disclose transactions with other group companies. There are no other related party transactions.

12 ULTIMATE CONTROLLING ENTITY

The Partnership is controlled by the General Partner for the beneficial interest of the Partners as a body. Aviva plc is a company registered in England and considered to be the ultimate controlling entity.

AVIVA LIFE INVESTMENTS INTERNATIONAL L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 EVENTS AFTER THE REPORTING PERIOD

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue by the Director and there are no other material events to be disclosed or adjusted for in these financial statements.

The ongoing conflict between Russia and Ukraine has led to significant disruption and volatility in the global stock market. The future ramifications of the evolving conflict may not be limited to Russia and Russian companies or Ukraine but may spill over to other regional and global economic marks, and the extent of the resulting impact of this is uncertain. However, there is currently no perceived material impact to these financial statements.