

**UNAUDITED HALF
YEARLY REPORT AND
ACCOUNTS OF THE
LV= INVESTMENT
FUNDS I ICVC**

30 June 2011



LIVERPOOL VICTORIA

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Company Information

The Company

LV= Investment Funds I ICVC. Authorised and regulated by the Financial Services Authority.
Registered address: County Gates, Bournemouth, BH1 2NF

The Authorised Corporate Director (ACD)

Liverpool Victoria Portfolio Managers Limited. Authorised and regulated by the Financial Services Authority.
Registered address: County Gates, Bournemouth, BH1 2NF

Directors of the ACD

M.J Rogers
A.L Roughead
P.W Moore
R.A Rowney
A.R.M Brown (Appointed June 2011)
P.A.C Hillier (Appointed June 2011)

The Investment Manager

LV= Asset Management Limited. Authorised and regulated by the Financial Services Authority.
Address: 80 Cheapside, London, EC2V 6EE

The Depositary

HSBC Bank Plc. Authorised and regulated by the Financial Services Authority.
Address: 8 Canada Square, London, E14 5HQ

The Registrar

International Financial Data Services (UK) Limited. Authorised and regulated by the Financial Services Authority.
Address: IFDS House, St. Nicholas Lane, Basildon, Essex, SS15 5FS

The Auditor

Ernst & Young LLP
Address: Ten George Street, Edinburgh, EH2 2DZ

Customer Services and Administration

Address for all shareholder correspondence

Liverpool Victoria Portfolio Managers Limited
PO Box 10033, Chelmsford, CM99 2AL

Please ensure all correspondence includes the full name of the registered holder and the account number.
Telephone: +44 (0) 845 113 0273 (calls may be recorded for training and monitoring purposes).

Report of the Authorised Corporate Director

The Authorised Corporate Director (ACD) presents the half-yearly Report and Unaudited Financial Statements for the six months ended 30 June 2011.

The Company is an investment company with variable capital (ICVC) incorporated under Regulation 14 (Authorisation) of the Open-Ended Investment Companies (OEIC) Regulations 2001. The Company is incorporated in England and Wales register number IC24, and authorised and regulated with effect from 03 March 1999 by the Financial Services Authority (FSA), register number 188233.

The Company is an umbrella company consisting of the following 6 sub-funds - each of which are UCITS (Undertakings for Collective Investment in Transferable Securities) schemes as defined by the FSA's Collective Investment Schemes sourcebook:

LV= UK Growth Fund

LV= UK Equity Income Fund

LV= European ex-UK Growth Fund

LV= Japan Growth Fund

LV= Pacific ex-Japan Growth Fund

LV= US Equity Income Fund

From time to time, new Funds may be established within the Company by the ACD with agreement of the Depositary and with FSA approval. Each Fund is separately managed according to its individual investment objective and policy.

As the Funds within the Company are not legal entities in their own right, if the assets attributable to any Fund are not sufficient to meet its liabilities, this shortfall will have to be met out of the assets of the other Funds in the Company.

As at 30 June 2011, each of the Funds within the Company had sufficient assets in their own right to meet any individual liabilities.

Shareholders are not liable for the debts of the Company.

Liverpool Victoria Asset Management Limited has been retained under an investment management agreement to make investment decisions on behalf of the ACD concerning the property of the Funds. The Investment Manager has delegated the role of investment management of LV= Japan Growth Fund to Nomura Asset Management Limited; and of LV= Pacific ex-Japan Growth Fund to J.F. Asset Management Limited.

On 31 May 2011, the ACD launched LV= US Equity Income Fund. As this Fund is less than 12 months old there is no requirement to report on it. There have been no other fundamental or significant changes over the 6 month reporting period.

The report and financial statements have been presented on an aggregated basis. However, separate financial statements are also provided for each sub-fund to enable investors to review the status and performance of the Funds for the 6 month period under review.

P. Cassidy
31 July 2011

Aggregated Financial Statements

Statement of Total Return

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Income		
Net capital gains/(losses)	8,518	(28,985)
Revenue	14,374	7,617
Expenses	(605)	(416)
Finance costs: Interest	(18)	(3)
Net revenue before taxation	13,751	7,198
Taxation	(709)	(241)
Net revenue after taxation	13,042	6,957
Total return before distributions/accumulations	21,560	(22,028)
Finance costs: distributions/accumulations	(13,116)	(6,937)
Change in net assets attributable to shareholders from investment activities	8,444	(28,965)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Opening net assets attributable to shareholders	608,830	456,258
Amounts received on creation of shares	102,125	189,079
Amounts paid on cancellation of shares	(74,329)	(132,374)
	27,796	56,705
Dilution levy	91	176
Stamp Duty Reserve Tax (SDRT)	(6)	(40)
Change in net assets attributable to shareholders from investment activities	8,444	(28,965)
Retained distribution on accumulation units	11,336	8,092
Closing net assets attributable to shareholders	656,491	492,226

Balance Sheet

As at 30 June 2011	30/06/2011 £'000	31/12/2010 £'000
Assets		
Investment assets	653,843	599,781
Debtors	30,413	1,234
Cash and bank balances	8,029	9,165
Total other assets	38,442	10,399
Total assets	692,285	610,180
Liabilities		
Investment liabilities	1,045	598
Creditors	31,507	461
Bank overdrafts	2,069	165
Distribution payable on income shares	1,173	126
Total other liabilities	34,749	752
Total liabilities	35,794	1,350
Net assets attributable to shareholders	656,491	608,830

Notes to the Aggregated Financial Statements

Accounting Policies

The interim financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in October 2010. Previously the requirements of the SORP issued by the IMA in November 2008 had been applied. The accounting policies that have been applied are consistent with those of the Annual Financial Statements for the year ended 31 December 2010 and are described in full in those statements.

Authorised Corporate Directors Statement

We hereby approve the Report and Financial Statements of the LV= Investment Funds I ICVC for the period ended 30 June 2011 on behalf of Liverpool Victoria Portfolio Managers Limited in accordance with the rules of the Collective Investment Schemes Sourcebook of the Financial Services Authority.

Philip Moore
18 August 2011

Ann Roughead
18 August 2011

Fund Manager's Report

Performance Review

The LV= UK Growth Fund (Retail Share Class) has produced a total return of +2.4% over the 6 month period, -0.5% behind the FTSE All-Share Index. The Fund has outperformed the IMA UK All Companies sector by 1.0% over the same period.

The "Performance Table" on page 7 shows the returns of all share classes against the IMA sector.

Performance was driven by stocks held in a number of sectors most notably BMW in Automobiles and Parts, Rightmove and Pearson in Media and Fidessa in Technology. In addition not holding HSBC and being underweight in the Banking sector generally added to relative performance. Stocks that detracted from performance included Wells Fargo, a preferred Bank holding, Antofagasta in Mining and not holding GlaxoSmithKline or Royal Dutch Shell.

Our approach is to focus on the specific attributes of certain companies enabling them to generate positive shareholder returns over lengthy holding periods. We then aggregate these into a well-diversified portfolio with no single holding more than 5% and the majority of risk stock being specific. We do not make investment decisions based on shorter-term macro-economic trends.

This approach has led us to have little exposure to the very large, mature companies such as BP, Shell and HSBC which tend to suffer from diseconomies of scale. However, the UK equity market has a good selection of high quality large companies which operate globally. The Fund has significant holdings in some of these including Unilever, Diageo, BAT and Reed Elsevier. In addition, there are high quality, faster-growing companies in the medium and smaller size spectrum which are held including Victrex, Domino Printing, Rotork and Ultra Electronics. Finally, we have smaller holdings in nascent companies we believe will be the leaders of tomorrow including Nichols, Dunelm, City of London Investments and Prezzo.

We recognise, like others, that in the shorter term equity markets can be choppy and at times uncomfortable to invest in. This has been exaggerated in recent times by central authorities seeking to control economies rather than let the free market take its course. However, our investee companies are also characterised by strong balance sheets and good cash flow characteristics. They are therefore well equipped to cope with difficult times and prosper as economies improve. We therefore anticipate the portfolio generating significant value over the medium to longer term.

Michael Crawford, Principal Fund Manager UK Equity

Data Source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested. Attribution data from Bloomberg.

Fund Objective and Policy

To achieve long-term capital growth from investments principally in UK equities.

Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate. The Fund will normally be invested in a range of blue chip, medium and smaller companies in order to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Fund Facts

Fund Accounting and Distribution

Accounting Dates	Payment Dates
31 December	28 February
30 June	31 August

Total Expense Ratio (TER) %

	30 June 2011*	31 December 2010
Retail Accumulation Shares	1.05	1.10
Group Accumulation Shares	0.06	0.09
Institutional Accumulation Shares	0.61	0.64
Second Retail Accumulation Shares	1.54	1.56

* The TER as at 30 June 2011 has been annualised to reflect a full 12 month period.

Performance Tables (Past performance is not a guide to future performance)

Performance History (%)							
Share Class	2011 ¹	2010	2009	2008	2007	2006	Since Launch
Retail Accumulation Shares	2.44	17.87	24.02	(33.43)	6.95	13.24	30.40
Group Accumulation Shares	2.97	19.07	25.25	(32.72)	8.00	14.39	114.70
Institutional Accumulation Shares	2.65	18.42	24.61	N/A	N/A	N/A	55.10
Second Retail Accumulation Shares	2.21	17.32	N/A	N/A	N/A	N/A	24.60
IMA UK All Companies Sector	1.44	17.26	30.42	(32.28)	1.80	17.22	N/A

N/A: data is not available for this period

Data Source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested.

Net Asset Values (NAV)				
As at:	Share Class	NAV (£)	NAV pence per share	Number of shares in issue
30 June 2011 ¹	Retail Accumulation Shares ⁵	8,672,546	130.27	6,657,324
31 December 2010	Retail Accumulation Shares	8,716,923	126.92	6,867,792
31 December 2009	Retail Accumulation Shares	19,495,750	107.75	18,094,109
31 December 2008	Retail Accumulation Shares	21,347,211	86.83	24,585,708
30 June 2011 ¹	Group Accumulation Shares ²	157,498,404	214.50	73,425,589
31 December 2010	Group Accumulation Shares	174,705,768	207.96	84,009,959
31 December 2009	Group Accumulation Shares	241,375,044	174.76	138,120,814
31 December 2008	Group Accumulation Shares	216,418,995	139.43	155,218,895
30 June 2011 ¹	Institutional Accumulation Shares ³	1,940,535	154.99	1,252,062
31 December 2010	Institutional Accumulation Shares	1,755,232	150.67	1,164,947
31 December 2009	Institutional Accumulation Shares	1,466,088	127.30	1,151,691
31 December 2008	Institutional Accumulation Shares	1,013,179	102.13	992,058
30 June 2011 ¹	Second Retail Accumulation Shares ⁴	75,301	124.50	60,481
31 December 2010	Second Retail Accumulation Shares	69,712	121.63	57,315
31 December 2009	Second Retail Accumulation Shares	10,373	103.73	10,000

Share Price Range			
Year to:	Share Class	Highest (pence)	Lowest (pence)
30 June 2011 ¹	Retail Accumulation Shares ⁵	131.10	121.90
31 December 2010	Retail Accumulation Shares	128.30	101.90
31 December 2009	Retail Accumulation Shares	108.30	72.69
31 December 2008	Retail Accumulation Shares	181.20	72.77
31 December 2007	Retail Accumulation Shares	135.30	117.90
31 December 2006	Retail Accumulation Shares	122.80	105.20
30 June 2011 ¹	Group Accumulation Shares ²	215.50	200.10
31 December 2010	Group Accumulation Shares	210.20	165.50
31 December 2009	Group Accumulation Shares	175.70	116.90
31 December 2008	Group Accumulation Shares	209.80	116.60
31 December 2007	Group Accumulation Shares	214.60	186.60
31 December 2006	Group Accumulation Shares	193.10	164.60
30 June 2011 ¹	Institutional Accumulation Shares ³	155.80	144.80
31 December 2010	Institutional Accumulation Shares	152.30	120.50
31 December 2009	Institutional Accumulation Shares	128.00	85.57
31 December 2008	Institutional Accumulation Shares	106.00	89.11
30 June 2011 ¹	Second Retail Accumulation Shares ⁴	125.36	116.65
31 December 2010	Second Retail Accumulation Shares	122.96	98.06
31 December 2009	Second Retail Accumulation Shares	104.30	99.94

Notes to Performance Tables

¹ 6 months from 1 January 2011 to 30 June 2011

² The Group Accumulation Share Class launched 5 September 2002 and was known as the Institutional Accumulation Share Class until 3 November 2008

³ Institutional Accumulation Share Class launched 3 November 2008

⁴ Second Retail Accumulation Share Class launched 27 November 2009

⁵ Retail Accumulation Share Class launched 30 September 1999

Distribution History		
Year to:	Share Class	Pence per Share
30 June 2011 ¹	Retail Accumulation Shares ⁵	1.7419
31 December 2010	Retail Accumulation Shares	1.8909
31 December 2009	Retail Accumulation Shares	2.6484
31 December 2008	Retail Accumulation Shares	3.8006
31 December 2007	Retail Accumulation Shares	3.9336
31 December 2006	Retail Accumulation Shares	2.7531
30 June 2011 ¹	Group Accumulation Shares ²	3.9065
31 December 2010	Group Accumulation Shares	5.0864
31 December 2009	Group Accumulation Shares	5.7703
31 December 2008	Group Accumulation Shares	7.9301
31 December 2007	Group Accumulation Shares	6.2369
31 December 2006	Group Accumulation Shares	6.1739
30 June 2011 ¹	Institutional Accumulation Shares ³	2.4117
31 December 2010	Institutional Accumulation Shares	2.9524
31 December 2009	Institutional Accumulation Shares	3.6128
31 December 2008	Institutional Accumulation Shares	0.8048
30 June 2011 ¹	Second Retail Accumulation Shares ⁴	1.3664
31 December 2010	Second Retail Accumulation Shares	1.4063
31 December 2009	Second Retail Accumulation Shares	-

Notes to Performance Tables

¹ 6 months from 1 January 2011 to 30 June 2011

² The Group Accumulation Share Class launched 5 September 2002 and was known as the Institutional Accumulation Share Class until 3 November 2008

³ Institutional Accumulation Share Class launched 3 November 2008

⁴ Second Retail Accumulation Share Class launched 27 November 2009

⁵ Retail Accumulation Share Class launched 30 September 1999

Distribution Tables

Distribution Tables					
Distribution	Group ¹	Net Income	Equalisation	2011 Distributions ²	2010 Distributions ²
Retail Accumulation Shares					
Half-yearly	1	1.7419	-	1.7419	1.3201
	2	0.9954	0.7465	1.7419	1.3201
Group Accumulation Shares					
Half-yearly	1	3.9065	-	3.9065	3.1869
	2	2.1959	1.7106	3.9065	3.1869
Institutional Accumulation Shares					
Half-yearly	1	2.4117	-	2.4117	1.9596
	2	1.4313	0.9804	2.4117	1.9596
Second Retail Accumulation Shares					
Half-yearly	1	1.3664	-	1.3664	1.1274
	2	1.0480	0.3184	1.3664	1.1274

Notes to Distribution Tables:

1. Groups

Group 1: Distribution for those who bought shares before 1 January 2011

Group 2: Distribution for those who bought shares between 1 January 2011 to 30 June 2011

2. Distributions Paid

If you hold "income shares" you will have received these distributions as income payments unless you opted for these to be reinvested to buy more shares. Distributions for "accumulation shares" will have automatically been reinvested.

Portfolio Statement

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Aerospace & Defence - 2.90% (2.91%)*		
924,934	Aero Inventory+	-	-
286,327	Ultra Electronics Holdings	4,876	2.90
		4,876	2.90
	Automobiles & Parts - 3.35% (0.88%)*		
91,977	BMW	5,631	3.35
	Banks - 5.97% (10.00%)*		
502,425	Standard Chartered	8,179	4.86
106,889	Wells Fargo & Co	1,871	1.11
		10,050	5.97
	Beverages - 3.76% (1.94%)*		
452,826	Diageo	5,751	3.42
105,748	Nichols	572	0.34
		6,323	3.76
	Chemicals - 4.22% (1.07%)*		
59,649	Fuchs Petrolub	2,088	1.24
335,243	Victrex	5,005	2.98
		7,093	4.22
	Construction & Materials - 1.69% (1.15%)*		
14,240	Geberit	2,093	1.24
159,282	James Halstead	749	0.45
		2,842	1.69
	Electronic & Electrical Equipment - 2.50% (0.92%)*		
617,337	Domino Printing	4,198	2.50
	Equity Investment Instruments - 2.78% (5.86%)*		
1,313,219	Polar Capital Technology Trust	4,637	2.76
217,862	Polar Capital Technology Trust - Sub Shares	38	0.02
		4,675	2.78
	Financial Services - 7.51% (6.84%)*		
571,273	City of London Investment	2,428	1.44
2,395,200	Collins Stewart	1,683	1.00
4,601,912	F&C Asset Management	3,415	2.03
123,680	Investor 'B' free	1,761	1.05
257,904	Schroders Non Voting	3,340	1.99
		12,627	7.51
	Fixed Line Telecommunications - 4.06% (1.66%)*		
3,422,895	British Telecom	6,836	4.06
	Food Producers & Processors - 3.75% (4.36%)*		
315,554	Unilever	6,302	3.75

LV= UK Growth Fund *(continued)*

Portfolio Statement *(continued)*

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	General Retailers - 1.11% (1.73%)*		
478,991	Dunelm	1,868	1.11
	Gas, Water & Multiutilities - 0.00% (1.91%)*		
	Healthcare Equipment & Services - 0.00% (1.03%)*		
	Household Goods - 0.00% (2.38%)*		
	Industrial Engineering - 1.55% (4.74%)*		
154,213	Rotork	2,609	1.55
	Leisure Goods - 0.69% (0.86%)*		
874,934	Hornby	1,168	0.69
	Life Assurance - 0.00% (0.68%)*		
	Media & Entertainment - 8.76% (4.65%)*		
444,232	Pearson	5,189	3.09
610,710	Premiere	2,010	1.19
1,006,724	Reed Elsevier	5,648	3.36
157,936	Rightmove	1,883	1.12
		14,730	8.76
	Mining - 10.84% (8.02%)*		
635,701	Antofagasta	8,741	5.20
199,587	BHP Billiton	4,849	2.88
105,054	Rio Tinto	4,651	2.76
		18,241	10.84
	Mobile Telecommunications - 1.42% (0.92%)*		
1,457,454	Vodafone	2,388	1.42
	Non-Life Insurance - 3.88% (4.38%)*		
42	Berkshire Hathaway	3,025	1.80
2,612,317	Royal & Sun Alliance Insurance	3,493	2.08
		6,518	3.88
	Oil & Gas - 8.46% (11.67%)*		
633,958	BG	8,942	5.32
354,276	Tullow Oil	4,361	2.59
156,548	Valiant Petroleum	930	0.55
		14,233	8.46
	Oil Equipment & Services - 4.50% (2.80%)*		
489,634	Cape	2,683	1.59
326,791	Petrofac	4,895	2.91
		7,578	4.50
	Pharmaceuticals & Biotechnology - 3.09% (4.27%)*		
168,160	AstraZeneca	5,189	3.09
	Personal Goods - 1.22% (1.06%)*		
38,045	Colgate-Palmolive	2,058	1.22

Portfolio Statement (continued)

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Software & Computer Services - 0.00% (0.97%)*		
	Support Services - 1.39% (1.55%)*		
121,856	Capita	871	0.52
393,541	Diploma	1,457	0.87
		2,328	1.39
	Tobacco - 4.86% (2.91%)*		
302,726	British American Tobacco	8,180	4.86
	Travel & Leisure - 5.15% (4.10%)*		
981,306	Compass	5,863	3.49
59,620	Paddy Power	1,994	1.19
1,197,017	Prezzo	796	0.47
		8,653	5.15
	Technology Hardware & Equipment - 0.00% (0.92%)*		
	Forward FX Contracts - (0.22) (0.00%)*		
	Bought GBP 10,573,164: Sold EUR 12,000,000	(266)	(0.16)
	Bought GBP 6,134,717: Sold USD 10,000,000	(103)	(0.06)
		(369)	(0.22)
	Options - 0.04% (0.08%)*		
2,212	Vodafone Group Call Option 180 December 2011	72	0.04
	Market value of investments	166,897	99.23
	Net other assets	1,290	0.77
	Net assets	168,187	100.00

* Percentage of holdings in this sector at 31 December 2010.

+ Suspended Security - not an approved security.

NOTE: All assets are securities and admitted to official stock exchange listing unless otherwise stated.

Top Ten Purchases and Sales	
For the six months ended 30 June 2011	
Purchases	£'000
Vodafone	4,062
Schroders Non Voting	3,548
British Telecom	3,332
BMW	3,070
Victrex	2,716
Cape	2,492
City of London Investment	2,375
Domino Printing	2,269
British American Tobacco	2,246
F&C Asset Management	2,173
	28,283
Total Purchases for the period	70,681
Sales	£'000
BP	8,145
Centrica	4,572
Barclays	4,287
Tullett Prebon	3,825
Close Brothers	3,501
IMI	3,266
Lloyds Banking Group	3,211
Vodafone	3,148
AstraZeneca	3,082
Amlin	3,070
	40,107
Total Sales for the period	89,681

Statement of Total Return		
For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Income		
Net capital gains/(losses)	2,327	(7,321)
Revenue	3,557	3,121
Expenses	(106)	(161)
Finance costs: Interest	(1)	(1)
Net revenue before taxation	3,450	2,959
Taxation	(28)	(37)
Net revenue after taxation	3,422	2,922
Total return before accumulations	5,749	(4,399)
Finance costs: accumulations	(3,422)	(2,922)
Change in net assets attributable to shareholders from investment activities	2,327	(7,321)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Opening net assets attributable to shareholders	185,248	262,347
Amounts received on issue of shares	1,543	311
Amounts paid on cancellation of shares	(23,979)	(102,145)
	(22,436)	(101,834)
Dilution levy charged	36	167
Stamp Duty Reserve Tax (SDRT)	(3)	(2)
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)	2,327	(7,321)
Retained distribution on accumulation shares	3,015	2,849
Closing net assets attributable to shareholders	168,187	156,206

Balance Sheet

As at 30 June 2011	30/06/2011 £'000	31/12/2010 £'000
Assets		
Investment assets	167,266	183,802
Debtors	17,953	198
Cash and bank balances	2,661	1,341
Total other assets	20,614	1,539
Total assets	187,880	185,341
Liabilities		
Investment liabilities	369	-
Creditors	18,253	93
Bank overdrafts	1,071	-
Total other liabilities	19,324	93
Total liabilities	19,693	93
Net assets attributable to shareholders	168,187	185,248

Fund Manager's Report

Performance Review

Over the last 6 month period the fund has underperformed the benchmark index – the FTSE World Europe ex UK index and underperformed its IMA peer group by less.

The last 6 months have been another difficult year for bottom-up stock pickers as the macroeconomic picture has dominated once more. This has been characterised by rapid rotational moves between so-called “risk on” and “risk off” trades which were accentuated by confusing economic data across all geographies. We had concerns over inflation in emerging markets and tightening monetary policy as well as “double-dip” concerns in developed markets where monetary policy could not be looser. European markets continued to test the peripheral countries’ ability to finance. This led to weak equity and particularly government bond markets punctuated by periodic “relief-driven rallies”. All this has led to a period where it has been difficult to outperform the benchmark index.

At a sector level Financial stocks added to performance and this was partly a function of what we didn't own (Credit Suisse and Banco Santander) as well as what we did, such as Allianz and the Swiss private bank Julius Baer. Sectors where we underperformed in general were the more cyclical areas of the market where we felt valuations were at all-time highs and factoring in a more robust global economic recovery than we foresaw. Technology was a big underperformer and this was driven by our more defensive bias (owning SAP and software) and not owning Ericsson or any of the semiconductor stocks that benefitted from a longer restocking cycle and some supply disruption following the Japanese earthquake. Our zero weighting in the Auto stocks also cost dearly as the Chinese consumer continued to buy high-end German cars such as Audi, Mercedes and BMWs. An overweight in Healthcare, particularly positions in Rhon-Klinikum (a German hospital operator) and Novartis were a drag on performance. Finally our position in Eon (the German power generating utility) was costly as the German government “u-turned” on the lifetime extension of German nuclear assets after the Japanese nuclear disaster.

We continue to live in very uncertain times on both a macroeconomic level – double-dip or muted global economic recovery as well as political – disputes in the senate about raising the US deficit ceiling as well as the potential split up of the Eurozone. It is clear that the simple transfer of a vast amount of private debt and debt in the developed world's banking systems to the governments of those countries is finally coming home to roost. It is clear to us that the consumer will continue to be weak and that inflationary pressures will subside on a global basis and terms such as stagflation or potentially deflation will be heard again. We also have concerns over the Eurozone and the Euro in particular. The contagion has spread from Portuguese and Greek bond markets to Italy and more recently Spain. Therefore austerity measures will be severe and core Europe has to make some tough and quick decisions as kicking the can down the road is no longer a viable solution.

Therefore we are relatively defensively positioned on a stock as well as a sector level and are very underweight in the GDP-sensitive or cyclical areas of the market. We have recently gone to neutral in Banks using recent refinancing rights issues to build positions. We remain underweight in Utilities in those countries where balance sheets are under pressure. The other side of this coin is a belief that both Consumer Services and Technology offer names that have business models adaptable or strong enough to cope in a low-growth environment.

Richard Falle, Principal Fund Manager European Equity

Fund Objective and Policy

To achieve long-term capital growth from investments principally in European equities, excluding the UK. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate. The Fund will normally be invested in a range of European markets to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Fund Facts

Fund Accounting and Distribution

Accounting Dates	Payment Dates
31 December	28 February
30 June	31 August

Total Expense Ratio (TER) %		
	30 June 2011*	31 December 2010
Retail Accumulation Shares	1.09	1.11
Group Accumulation Shares	0.10	0.10
Institutional Accumulation Shares	0.65	0.67
Second Retail Accumulation Shares	1.59	1.63
Institutional Income Shares	0.65	0.70
Institutional Income GBP Hedged Shares	0.65	0.66

* The TER as at 30 June 2011 has been annualised to reflect a full 12 month period.

Performance Tables (Past performance is not a guide to future performance)

Performance History (%)							
Share Class	2011 ¹	2010	2009	2008	2007	2006	Since Launch
Retail Accumulation Shares	4.55	7.16	21.49	(23.62)	15.92	23.21	159.70
Group Accumulation Shares	5.08	8.21	22.41	(23.14)	16.95	24.35	189.40
Institutional Accumulation Shares	4.78	7.81	21.90	N/A	N/A	N/A	53.40
Second Retail Accumulation Shares	4.31	6.66	N/A	N/A	N/A	N/A	42.80
Institutional Income Shares	4.86	N/A	N/A	N/A	N/A	N/A	25.66
Institutional Income GBP Hedged Shares	0.10	N/A	N/A	N/A	N/A	N/A	8.01
IMA Europe Excluding UK Sector	5.29	8.36	19.44	(24.64)	12.62	18.47	N/A

N/A: data is not available for this period

Data source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested.

Net Asset Values (NAV)				
As at:	Share Class	NAV (£)	NAV pence per share	Number of shares in issue
30 June 2011 ¹	Retail Accumulation Shares ⁷	13,740,377	259.68	5,291,197
31 December 2010	Retail Accumulation Shares	11,758,506	248.16	4,738,343
31 December 2009	Retail Accumulation Shares	7,355,508	231.17	3,181,843
31 December 2008	Retail Accumulation Shares	7,165,271	190.38	3,763,664
30 June 2011 ¹	Group Accumulation Shares ²	157,536,684	289.42	54,432,736
31 December 2010	Group Accumulation Shares	160,595,360	275.20	58,355,383
31 December 2009	Group Accumulation Shares	67,783,815	253.88	26,699,229
31 December 2008	Group Accumulation Shares	54,454,872	207.46	26,248,229
30 June 2011 ¹	Institutional Accumulation Shares ³	1,811,104	153.38	1,180,810
31 December 2010	Institutional Accumulation Shares	1,552,199	146.25	1,061,350
31 December 2009	Institutional Accumulation Shares	1,261,175	135.41	931,349
31 December 2008	Institutional Accumulation Shares	691,203	111.11	622,114
30 June 2011 ¹	Second Retail Accumulation Shares ⁴	570,740	140.41	406,490
31 December 2010	Second Retail Accumulation Shares	313,917	134.51	233,384
31 December 2009	Second Retail Accumulation Shares	288,677	125.93	229,246
30 June 2011 ¹	Institutional Income Shares ⁵	267,012	122.80	217,432
31 December 2010	Institutional Income Shares	28,154	119.43	23,574
30 June 2011 ¹	Institutional Income GBP Hedged Shares ⁶	34,116,317	105.56	32,319,478
31 December 2010	Institutional Income GBP Hedged Shares	36,520,005	107.57	33,950,713

Share Price Range			
Year to:	Share Class	Highest (pence)	Lowest (pence)
30 June 2011 ¹	Retail Accumulation Shares ⁷	267.50	237.40
31 December 2010	Retail Accumulation Shares	251.60	207.10
31 December 2009	Retail Accumulation Shares	237.10	145.50
31 December 2008	Retail Accumulation Shares	252.60	90.63
31 December 2007	Retail Accumulation Shares	253.10	213.40
31 December 2006	Retail Accumulation Shares	216.40	174.70
30 June 2011 ¹	Group Accumulation Shares ²	297.60	263.90
31 December 2010	Group Accumulation Shares	278.70	228.60
31 December 2009	Group Accumulation Shares	260.00	158.80
31 December 2008	Group Accumulation Shares	273.50	90.84
31 December 2007	Group Accumulation Shares	273.50	228.80
31 December 2006	Group Accumulation Shares	232.10	186.50
30 June 2011 ¹	Institutional Accumulation Shares ³	157.90	140.10
31 December 2010	Institutional Accumulation Shares	148.20	121.80
31 December 2009	Institutional Accumulation Shares	138.80	84.99
31 December 2008	Institutional Accumulation Shares	113.42	89.43
30 June 2011 ¹	Second Retail Accumulation Shares ⁴	144.70	128.60
31 December 2010	Second Retail Accumulation Shares	136.50	112.50
31 December 2009	Second Retail Accumulation Shares	129.30	79.54
30 June 2011 ¹	Institutional Income Shares ⁵	128.90	114.40
31 December 2010	Institutional Income Shares	121.30	99.68
30 June 2011 ¹	Institutional Income GBP Hedged Shares ⁶	112.30	102.60
31 December 2010	Institutional Income GBP Hedged Shares	109.20	100.00

Notes to Performance Tables

¹ 6 months from 1 January 2011 to 30 June 2011

² Group Accumulation Share Class launched 5 September 2002 and was known as the Institutional Accumulation Share Class until 3 November 2008

³ Institutional Accumulation Share Class launched 3 November 2008

⁴ Second Retail Accumulation Share Class launched 28 January 2009

⁵ Institutional Income Share Class launched 25 May 2010

⁶ Institutional Income GBP Hedged Share Class launched 1 September 2010

⁷ Retail Accumulation Share Class launched 1 May 2003

Distribution History		
Year to:	Share Class	Pence per Share
30 June 2011 ¹	Retail Accumulation Shares ⁷	4.5652
31 December 2010	Retail Accumulation Shares	1.4900
31 December 2009	Retail Accumulation Shares	3.6957
31 December 2008	Retail Accumulation Shares	5.7397
31 December 2007	Retail Accumulation Shares	2.7663
31 December 2006	Retail Accumulation Shares	2.1273
30 June 2011 ¹	Group Accumulation Shares ²	6.4580
31 December 2010	Group Accumulation Shares	4.1152
31 December 2009	Group Accumulation Shares	5.7633
31 December 2008	Group Accumulation Shares	7.7038
31 December 2007	Group Accumulation Shares	4.6732
31 December 2006	Group Accumulation Shares	3.9116
30 June 2011 ¹	Institutional Accumulation Shares ³	3.0198
31 December 2010	Institutional Accumulation Shares	1.3169
31 December 2009	Institutional Accumulation Shares	2.5824
31 December 2008	Institutional Accumulation Shares	0.2173
30 June 2011 ¹	Second Retail Accumulation Shares ⁴	2.1464
31 December 2010	Second Retail Accumulation Shares	0.5101
31 December 2009	Second Retail Accumulation Shares	1.6807
30 June 2011 ¹	Institutional Income Shares ⁵	2.4799
31 December 2010	Institutional Income Shares	0.3255
30 June 2011 ¹	Institutional Income GBP Hedged Shares ⁶	2.1939
31 December 2010	Institutional Income GBP Hedged Shares	0.2154

Notes to Performance Tables

- ¹. 6 months from 1 January 2011 to 30 June 2011
- ². Group Accumulation Share Class launched 5 September 2002 and was known as the Institutional Accumulation Share Class until 3 November 2008
- ³. Institutional Accumulation Share Class launched 3 November 2008
- ⁴. Second Retail Accumulation Share Class launched 28 January 2009
- ⁵. Institutional Income Share Class launched 25 May 2010
- ⁶. Institutional Income GBP Hedged Share Class launched 1 September 2010
- ⁷. Retail Accumulation Share Class launched 1 May 2003

Distribution Tables

Distribution Tables					
Distribution	Group ¹	Net Income	Equalisation	2011 Distributions ²	2010 Distributions ²
Retail Accumulation Shares					
Half-yearly	1	4.5652	-	4.5652	1.4900
	2	4.2056	0.3596	4.5652	1.4900
Group Accumulation Shares					
Half-yearly	1	6.4580	-	6.4580	2.8891
	2	6.3372	0.1208	6.4580	2.8891
Institutional Accumulation Shares					
Half-yearly	1	3.0198	-	3.0198	1.2134
	2	2.3509	0.6689	3.0198	1.2134
Second Retail Accumulation Shares					
Half-yearly	1	2.1464	-	2.1464	0.5101
	2	1.4550	0.6914	2.1464	0.5101
Institutional Income Shares					
Half-yearly	1	2.4799	-	2.4799	0.1100
	2	2.2788	0.2011	2.4799	0.1100
Institutional Income GBP Hedged Shares					
Half-yearly	1	2.1939	-	2.1939	N/A
	2	1.8734	0.3205	2.1939	N/A

Notes to Distribution Tables:
1. Groups

Group 1: Distribution for those who bought shares before 1 January 2011

Group 2: Distribution for those who bought shares between 1 January 2011 to 30 June 2011

2. Distributions Paid

If you hold "income shares" you will have received these distributions as income payments unless you opted for these to be reinvested to buy more shares. Distributions for "accumulation shares" will have automatically been reinvested.

Portfolio Statement

As at 30 June 2011

Holding	Sector/Company	Market Value £000	% Total Net Assets
Austria - 2.52% (1.25%)*			
87,219	Erste Bank	2,768	1.33
73,805	Vienna Insurance Group	2,470	1.19
		5,238	2.52
Belgium - 3.01% (0.74%)*			
130,685	Ab InBev	4,681	2.25
59,444	Elia System	1,575	0.76
13,198	Elia System Strip	4	-
		6,260	3.01
Finland - 2.82% (4.53%)*			
276,101	Amer Sports Corporation	2,811	1.35
78,930	Kone 'B'	3,063	1.47
		5,874	2.82
France - 21.17% (21.71%)*			
313,711	AXA	4,387	2.11
32,848	BioMerieux	2,332	1.12
93,635	CFAO NPV	2,502	1.20
389,200	Credit Agricole	3,587	1.73
48,053	Dassault Systemes	2,544	1.22
107,650	Groupe Danone	4,993	2.40
98,203	Legrand Promesses	2,561	1.23
48,356	Societe BIC	2,892	1.39
87,441	Societe Generale	3,186	1.53
54,130	Sodexo Alliance	2,621	1.26
223,868	Total	7,954	3.82
113,823	Vinci	4,488	2.16
		44,047	21.17
Germany - 24.36% (15.34%)*			
120,821	Aixtron AG	2,528	1.22
55,983	Allianz (registered)	4,834	2.32
90,483	BASF	5,455	2.62
989,848	Commerzbank	2,655	1.28
105,356	Deutsche Euroshop	2,588	1.24
416,730	Deutsche Telekom	4,008	1.93
309,712	E.ON	5,398	2.60
64,385	Fresenius Medical Care	2,983	1.43
82,017	Henkel preference	3,520	1.69
193,846	Kloeckner & Co	3,602	1.73
60,243	Metro	2,269	1.09
41,008	Rheinmetall	2,242	1.08
166,925	SAP	6,232	3.00
27,345	Vossloh	2,359	1.13
		50,673	24.36

LV= European ex-UK Growth Fund *(continued)*

Portfolio Statement *(continued)*

As at 30 June 2011

Holding	Sector/Company	Market Value £000	% Total Net Assets
Ireland - 1.22% (1.07%)*			
98,223	Kerry Group 'A' (London listed)	2,544	1.22
Italy - 7.56% (1.07%)*			
229,238	Ansaldo Sts SpA	1,985	0.95
417,554	Azimut	2,388	1.15
2,376,226	Banca Intesa	3,847	1.85
366,444	ENI	5,317	2.56
353,013	Mediobanca	2,191	1.05
		15,728	7.56
Luxembourg - 1.28% (3.35%)*			
153,604	SES Global	2,671	1.28
Netherlands - 3.71% (5.98%)*			
64,246	Akzo Nobel	2,521	1.21
255,838	Unilever	5,208	2.50
		7,729	3.71
Norway - 4.15% (6.35%)*			
490,034	Storebrand	2,562	1.23
266,591	Telenor	2,683	1.29
96,242	Yara International	3,397	1.63
		8,642	4.15
Spain - 3.77% (9.71%)*			
542,023	BBVA	3,881	1.87
184,758	Repsol YPF	3,948	1.90
		7,829	3.77
Sweden - 2.60% (9.69%)*			
321,250	SCA 'B'	2,806	1.35
513,879	SEB 'A'	2,602	1.25
		5,408	2.60
Switzerland - 21.14% (16.72%)*			
359,791	ABB	5,755	2.77
4,132	Barry Callebaut	2,557	1.23
30,928	Kuehne & Nagel	2,928	1.41
148,167	Novartis	5,590	2.69
17,459	Partners Group	1,925	0.93
83,503	Roche	8,674	4.17
1,948	Sika AG 'B'	2,937	1.41
35,888	Sonova Holding	2,089	1.00
117,568	Swiss Reinsurance	4,138	1.99
11,146	Swisscom (registered)	3,182	1.53
370,200	UBS	4,180	2.01
		43,955	21.14

Portfolio Statement (continued)

As at 30 June 2011

Holding	Sector/Company	Market Value £000	% Total Net Assets
	United States - 0.00% (1.02%)*		
	Forward FX Contracts - (0.23) ((0.28%)*		
	Bought CHF 350: Sold GBP 263	-	-
	Bought EUR 1,208: Sold GBP 1,075	-	-
	Bought EUR 6,200,000: Sold CHF 7,459,939	19	0.01
	Bought GBP 1,884,071: Sold SEK 19,531,776	(40)	(0.02)
	Bought GBP 21,321,332: Sold EUR 24,020,810	(371)	(0.18)
	Bought GBP 5,215,921: Sold CHF 6,975,673	(3)	-
	Bought GBP 627,354: Sold NOK 5,504,482	(11)	(0.01)
	Bought NOK 277: Sold GBP 32	-	-
	Bought SEK 42,000,000: Sold CHF 5,510,264	16	0.01
	Bought SEK 42,000,000: Sold NOK 36,306,489	(77)	(0.04)
	Bought SEK 983: Sold GBP 95	-	-
		(467)	(0.23)
	Market value of investments	206,131	99.08
	Net other assets	1,911	0.92
	Total net assets	208,042	100.00

* Percentage of holdings in this sector at 31 December 2010.

NOTE: All assets are securities and admitted to official stock exchange listing unless otherwise stated.

Top Ten Purchases and Sales	
For the six months ended 30 June 2011	
Purchases	£'000
ENI	5,728
Gdf Suez	5,372
Unilever	5,362
BASF	5,268
Novartis	5,171
Ab InBev	5,006
Intesa	4,931
Deutsche Telekom	4,894
BBVA	4,481
AXA	4,191
	50,404
Total Purchases for the period	132,787
Sales	£'000
Telefonica	6,636
BNP Paribas	6,535
Gdf Suez	5,188
Nordea	4,985
Ericsson	4,761
Synthes	4,695
KPN KON	4,369
Vivendi	4,363
Philips Electronics	4,220
Nokia	4,044
	49,796
Total Sales for the period	143,694

Statement of Total Return		
For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Income		
Net capital gains/(losses)	4,451	(19,660)
Revenue	5,646	1,730
Expenses	(294)	(153)
Finance costs: Interest	(17)	(1)
Net revenue before taxation	5,335	1,576
Taxation	(547)	(124)
Net revenue after taxation	4,788	1,452
Total return before distributions/accumulations	9,239	(18,208)
Finance costs: distributions/accumulations	(4,797)	(1,429)
Change in net assets attributable to shareholders from investment activities	4,442	(19,637)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Opening net assets attributable to shareholders	210,768	76,689
Amounts received on issue of shares	20,215	185,742
Amounts paid on cancellation of shares	(31,200)	(25,015)
	(10,985)	160,727
Dilution levy charged	16	9
Stamp Duty Reserve Tax (SDRT)	-	(38)
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)	4,442	(19,637)
Retained distribution on accumulation shares	3,801	2,679
Closing net assets attributable to shareholders	208,042	220,429

Balance Sheet

As at 30 June 2011	30/06/2011 £'000	31/12/2010 £'000
Assets		
Investment assets	206,633	207,675
Debtors	7,186	339
Cash and bank balances	2,760	3,585
Total other assets	9,946	3,924
Total assets	216,579	211,599
Liabilities		
Investment liabilities	502	598
Creditors	6,618	114
Bank overdrafts	703	46
Distribution payable on income shares	714	73
Total other liabilities	8,035	233
Total liabilities	8,537	831
Net assets attributable to shareholders	208,042	210,768

Fund Manager's Report

Performance Review

The LV= UK Equity Income Fund (Retail Share Class) has produced a total return of +4.00% over the 6 month period, 1.04% ahead of the FTSE All-Share Index. The Fund has also outperformed the IMA UK Equity Income sector by 1.43% over the same period.

The "Performance Table" on page 27 shows the returns of all share classes against the IMA sector.

The principal reason for this outperformance has been good stock selection. It was particularly strong in Consumer Services (overweight holdings in Rightmove and Compass Group), Basic Materials (overweight holding in Kumba Iron Ore) and Financials (underweight holdings in Barclays and Lloyds Banking Group). However, it was mildly negative in Industrials (overweight holdings in Domino Printing Sciences and Rotork) and Utilities (overweight holding in Centrica).

We continue to believe the Fund is well diversified both in absolute and relative terms, with no single holding more than 5% of the portfolio and the majority of risk stock-specific.

However, a notable feature is that the Fund currently has no holdings in Royal Dutch Shell, Vodafone, HSBC Holdings, GlaxoSmithKline or BP – the top five prospective dividend payers in the UK equity market. Instead, the Fund has significant holdings in industry peers BG Group, BT Group, Standard Chartered, AstraZeneca – playing to our strengths as bottom-up stock pickers.

Nevertheless, the Fund is continuing to deliver the minimum 10% yield premium to the UK equity market, helped by large holdings in high yielding stocks such as British American Tobacco, Reed Elsevier and Legal & General.

We believe that the UK equity market offers 'quality at a discount'. Despite a lacklustre domestic economy, many UK-listed companies are globally diverse businesses which have developed strong market positions and high barriers to entry. This manifests itself in consistently above average cash flow returns on invested capital which, combined with the strongest balance sheets in nearly fifteen years and a generally pro-active stance by management to return cash to shareholders, should result in strong dividend growth. Despite these positive attributes, the UK equity market remains out of favour with many investors and valuations are attractive – resulting in a pick up in corporate activity from overseas buyers.

The UK equity market is therefore our favoured risk asset class, although (as ever) predicting short-term movements in markets is extremely difficult.

Graham Ashby - Head of UK Equities

Data Source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested. Attribution data from Statpro.

Fund Objective and Policy

The objective of the Fund is to achieve a high level of income combined with long-term capital growth from investments principally in UK equities. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of blue chip, medium and smaller companies in order to generate yield and maximise return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Fund Facts

Fund Accounting and Distribution

Accounting Dates	Payment Dates
31 December	28 February
	31 May
30 June	31 August
	30 November

Total Expense Ratio (TER) %		
	31 June 2011*	31 December 2010
Retail Income Shares	1.06	1.08
Group Accumulation Shares	0.07	0.08
Second Retail Income Shares	1.55	1.57
Institutional Accumulation Shares	0.61	0.62
Institutional Income Shares	0.62	0.64

* The TER as at 30 June 2011 has been annualised to reflect a full 12 month period.

Performance Tables (Past performance is not a guide to future performance)

Performance History (%)				
Share Class	2011 ¹	2010	Since Launch	
Retail Income Shares	4.00	19.16	50.42	
Group Accumulation Shares	4.49	20.20	53.60	
Second Retail Income Shares	3.72	18.49	48.65	
Institutional Accumulation Shares	4.26	19.62	51.90	
Institutional Income Shares	4.28	N/A	28.21	
IMA UK Equity Income Sector	2.57	13.81	N/A	

N/A: data is not available for this period

Data source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested.

Net Asset Values (NAV)				
As at:	Share Class	NAV (£)	NAV pence per share	Number of shares in issue
30 June 2011 ¹	Retail Income Shares ²	9,015,116	132.80	6,788,632
31 December 2010	Retail Income Shares	1,015,596	130.99	775,320
31 December 2009	Retail Income Shares	35,426	114.55	30,925
30 June 2011 ¹	Group Accumulation Shares ²	127,558,350	153.35	83,179,316
31 December 2010	Group Accumulation Shares	119,280,528	146.59	81,368,097
31 December 2009	Group Accumulation Shares	82,093,078	121.92	67,330,842
30 June 2011 ¹	Second Retail Income Shares ²	728,895	131.24	555,375
31 December 2010	Second Retail Income Shares	383,670	129.77	295,657
31 December 2009	Second Retail Income Shares	6,775	114.12	5,937
30 June 2011 ¹	Institutional Accumulation Shares ²	2,812,524	151.61	1,855,138
31 December 2010	Institutional Accumulation Shares	1,166,788	145.25	803,278
31 December 2009	Institutional Accumulation Shares	1,214	121.40	1,000
30 June 2011 ¹	Institutional Income Shares ³	26,259,077	122.69	21,402,441
31 December 2010	Institutional Income Shares	9,308,894	120.77	7,707,809

LV= UK Equity Income Fund *(continued)*

Share Price Range			
Year to:	Share Class	Highest (pence)	Lowest (pence)
30 June 2011 ¹	Retail Income Shares ²	135.80	126.00
31 December 2010	Retail Income Shares	133.10	109.80
31 December 2009	Retail Income Shares	117.30	86.24
30 June 2011 ¹	Group Accumulation Shares ²	154.70	141.20
31 December 2010	Group Accumulation Shares	148.20	117.70
31 December 2009	Group Accumulation Shares	122.60	86.32
30 June 2011 ¹	Second Retail Income Shares ²	134.20	124.70
31 December 2010	Second Retail Income Shares	131.83	109.01
31 December 2009	Second Retail Income Shares	116.84	86.29
30 June 2011 ¹	Institutional Accumulation Shares ²	153.00	139.80
31 December 2010	Institutional Accumulation Shares	146.80	117.20
31 December 2009	Institutional Accumulation Shares	122.07	86.28
30 June 2011 ¹	Institutional Income Shares ³	125.40	116.20
31 December 2010	Institutional Income Shares	122.70	100.00

Distribution History		
Year to:	Share Class	Pence per Share
30 June 2011 ¹	Retail Income Shares ²	3.6013
31 December 2010	Retail Income Shares	4.8292
31 December 2009	Retail Income Shares	5.7592
30 June 2011 ¹	Group Accumulation Shares ²	4.0658
31 December 2010	Group Accumulation Shares	5.1999
31 December 2009	Group Accumulation Shares	5.8511
30 June 2011 ¹	Second Retail Income Shares ²	3.5630
31 December 2010	Second Retail Income Shares	4.8030
31 December 2009	Second Retail Income Shares	5.7475
30 June 2011 ¹	Institutional Accumulation Shares ²	4.0243
31 December 2010	Institutional Accumulation Shares	5.1711
31 December 2009	Institutional Accumulation Shares	5.8470
30 June 2011 ¹	Institutional Income Shares ³	3.3234
31 December 2010	Institutional Income Shares	1.7483

Notes to Performance Tables

¹. 6 months from 1 January 2011 to 30 June 2011

². The Fund and the Retail Income, Group Accumulation, Institutional Accumulation and Second Retail Income Share Classes launched 28 January 2009

³. Institutional Income Share Class launched 25 May 2010

Distribution Tables

Distribution Tables					
Distribution	Group ¹	Net Income	Equalisation	2011 Distributions ²	2010 Distributions ²
Retail Income Shares					
First Interim	1	1.9070	-	1.9070	3.0861
	2	0.8027	1.1043	1.9070	3.0861
Group Accumulation Shares					
First Interim	1	2.1365	-	2.1365	3.2914
	2	1.8023	0.3342	2.1365	3.2914
Second Retail Income Shares					
First Interim	1	1.8876	-	1.8876	3.0699
	2	0.9070	0.9806	1.8876	3.0699
Institutional Accumulation Shares					
First Interim	1	2.1156	-	2.1156	3.2735
	2	1.2557	0.8599	2.1156	3.2735
Institutional Income Shares					
First Interim	1	1.7591	-	1.7591	0.1282
	2	1.0248	0.7343	1.7591	0.1282

Notes to Distribution Tables:

1. Groups

Group 1: Distribution for those who bought shares before 1 January 2011

Group 2: Distribution for those who bought shares between 1 January 2011 to 31 March 2011

2. Distributions Paid

If you hold "income shares" you will have received these distributions as income payments unless you opted for these to be reinvested to buy more shares. Distributions for "accumulation shares" will have automatically been reinvested.

Distribution Tables

Distribution Tables					
Distribution	Group ¹	Net Income	Equalisation	2011 Distributions ²	2010 Distributions ²
Retail Income Shares					
Second Interim	1	1.6943	-	1.6943	1.1192
	2	0.6548	1.0395	1.6943	1.1192
Group Accumulation Shares					
Second Interim	1	1.9293	-	1.9293	1.2293
	2	0.4352	1.4941	1.9293	1.2293
Second Retail Income Shares					
Second Interim	1	1.6754	-	1.6754	1.1094
	2	0.7273	0.9481	1.6754	1.1094
Institutional Accumulation Shares					
Second Interim	1	1.9087	-	1.9087	1.2215
	2	0.4388	1.4699	1.9087	1.2215
Institutional Income Shares					
Second Interim	1	1.5643	-	1.5643	1.0224
	2	0.8452	0.7191	1.5643	1.0224

Notes to Distribution Tables:

1. Groups

Group 1: Distribution for those who bought shares before 1 April 2011

Group 2: Distribution for those who bought shares between 1 April 2011 to 30 June 2011

2. Distributions Paid

If you hold "income shares" you will have received these distributions as income payments unless you opted for these to be reinvested to buy more shares. Distributions for "accumulation shares" will have automatically been reinvested.

Portfolio Statement

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Aerospace & Defence - 2.27% (2.98%)*		
172,444	Aero Inventory+	-	-
222,643	Ultra Electronics Holdings	3,792	2.27
		3,792	2.27
	Banks - 4.21% (5.45%)*		
430,330	Standard Chartered	7,006	4.21
	Chemicals - 1.36% (0.97%)*		
152,327	Victrex	2,274	1.36
	Construction & Materials - 0.00% (1.12%)*		
	Electricity - 3.06% (0.52%)*		
308,100	Cape**	1,688	1.01
51,910	Paddy Power	1,736	1.04
121,685	Scottish & Southern Energy	1,690	1.01
		5,114	3.06
	Electronic & Electrical Equipment - 2.10% (1.09%)*		
514,681	Domino Printing	3,500	2.10
	Equity Investment Instruments - 2.03% (1.34%)*		
75,355	Caledonia Investments	1,289	0.77
492,001	City of London Investment Trust	2,091	1.26
		3,380	2.03
	Financial Services - 11.03% (10.21%)*		
229,600	Capita	1,642	0.99
1,996,100	Collins Stewart	1,402	0.84
483,261	H&T	1,643	0.99
303,535	Investor 'B' free	4,323	2.60
208,600	Schroders	2,701	1.62
146,785	SHB 'A'	2,804	1.69
1,093,550	Tullett Prebon	3,826	2.30
		18,341	11.03
	Fixed Line Telecommunications - 4.85% (2.61%)*		
4,038,893	BT Group	8,066	4.85
	Food & Drug Retailers - 0.00% (0.98%)*		
	Food Producers & Processors - 1.22% (1.37%)*		
712,570	Hilton Food	2,031	1.22
	Gas, Water & Multiutilities - 3.55% (2.70%)*		
1,830,440	Centrica	5,907	3.55

LV= UK Equity Income Fund *(continued)*

Portfolio Statement *(continued)*

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
General Retailers - 2.93% (3.55%)*			
425,575	Marks & Spencer	1,537	0.92
209,590	Ted Baker	1,656	1.00
344,770	WHSmith	1,680	1.01
		4,873	2.93
Healthcare Equipment & Services - 0.00% (1.05%)*			
Household Goods & Textiles - 4.98% (3.69%)*			
1,446,280	Galiform	1,546	0.93
570,870	Headlam	1,681	1.01
66,529	James Halstead	313	0.19
140,090	Reckitt Benckiser	4,739	2.85
		8,279	4.98
Industrial Engineering - 2.80% (3.91%)*			
155,970	IMI	1,613	0.97
9,000	Latchways	115	0.07
266,509	Mears	743	0.45
102,915	Rotork	1,741	1.05
21,953	Spirax-Sarco Engineering	436	0.26
		4,648	2.80
Industrial Metals - 1.08% (0.51%)*			
40,500	Kumba Iron Ore ADR	1,794	1.08
Leisure Goods - 0.30% (0.52%)*			
376,053	Hornby	502	0.30
Life Insurance - 1.98% (0.94%)*			
2,824,000	Legal & General	3,299	1.98
Media & Entertainment - 4.48% (2.95%)*			
180,559	Daily Mail & General Trust	827	0.50
871,200	Reed Elsevier	4,887	2.94
145,560	Rightmove	1,735	1.04
		7,449	4.48
Mining - 12.29% (9.78%)*			
567,580	Antofagasta	7,804	4.69
261,275	BHP Billiton	6,348	3.82
141,925	Rio Tinto	6,284	3.78
		20,436	12.29
Non-Life Insurance - 1.98% (4.46%)*			
377,660	Hiscox	1,552	0.93
1,309,185	Royal & Sun Alliance Insurance Group	1,750	1.05
		3,302	1.98
Oil & Gas Producers - 4.29% (8.88%)*			
505,560	BG	7,131	4.29

Portfolio Statement (continued)
As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Oil Equipment & Services - 3.62% (3.16%)*		
402,485	Petrofac	6,029	3.62
	Pharmaceuticals & Biotechnology - 4.99% (4.62%)*		
268,965	AstraZeneca	8,300	4.99
	Support Services - 3.22% (3.40%)*		
516,240	Diploma	1,911	1.15
2,115,235	Smiths News	1,856	1.12
1,602,750	St.Ives	1,575	0.95
		5,342	3.22
	Tobacco - 4.95% (7.50%)*		
305,060	British American Tobacco	8,243	4.95
	Travel & Leisure - 3.51% (3.03%)*		
976,455	Compass	5,834	3.51
	Corporate Bonds - 4.81% (4.40%)*		
£1,700,000	Amlin 6.5% 19/12/2026	1,531	0.92
£1,000,000	F&C Asset Management 6.75% 20/12/2026	737	0.44
£800,000	Jaguar Land Rover 8.125% 15/05/2018	783	0.47
£1,670,000	LBG Capital 11.04% 19/03/2020	1,762	1.06
£2,150,000	Nationwide 6.024%	1,772	1.07
£1,450,000	Provident Financial 8% 23/10/2019	1,419	0.85
		8,004	4.81
	Options - 0.03% (0.07%)*		
1,450	Vodafone Group Call Option December 2011	47	0.03
	Forward FX Contracts - (0.10)% (0.00%)*		
6,902,496	Bought GBP 6,902 : Sold SEK 71,800	(174)	(0.10)
	Market value of investments	162,749	97.82
	Net other assets	3,625	2.18
	Total net assets	166,374	100.00

* Percentage of holdings in this sector at 31 December 2010.

+ Suspended Security - not an approved security.

** AIM Listed

NOTE: All assets are securities and admitted to official stock exchange listing unless otherwise stated.

Top Ten Purchases and Sales	
For the six months ended 30 June 2011	
Purchases	£'000
Antofagasta	5,307
Vodafone Group	4,926
BT Group	4,178
Reed Elsevier	3,111
SHB 'A'	3,068
BHP Billiton	2,958
Schroders	2,914
Centrica	2,545
AstraZeneca	2,479
Petrofac	2,138
	33,624
Total Purchases for the period	88,154
Sales	£'000
BP	6,383
Vodafone Group	4,576
Imperial Tobacco Group	3,222
Provident Financial	2,479
Amlin	2,039
Barclays	1,939
Weir Group	1,879
Close Brothers	1,782
Hiscox	1,756
Aggreko	1,717
	27,772
Total Sales for the period	56,410

Statement of Total Return		
For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Income		
Net capital gains/(losses)	2,762	(2,785)
Revenue	4,182	2,327
Expenses	(136)	(46)
Finance costs: Interest	-	(1)
Net revenue before taxation	4,046	2,280
Taxation	(68)	(54)
Net revenue after taxation	3,978	2,226
Total return before accumulations	6,740	(559)
Finance costs: accumulations	(4,043)	(2,228)
Change in net assets attributable to shareholders from investment activities	2,697	(2,787)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Opening net assets attributable to shareholders	131,155	82,136
Amounts received on issue of shares	29,252	1,589
Amounts paid on cancellation of shares	(175)	(19)
	29,077	1,570
Dilution levy charged	11	-
Stamp Duty Reserve Tax (SDRT)	(3)	-
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)	2,697	(2,787)
Retained distribution on accumulation shares	3,437	2,236
Closing net assets attributable to shareholders	166,374	83,155

Balance Sheet

As at 30 June 2011	30/06/2011 £'000	31/12/2010 £'000
Assets		
Investment assets	162,923	128,224
Debtors	5,009	536
Cash and bank balances	1,021	2,508
Total other assets	6,030	3,044
Total assets	168,953	131,268
Liabilities		
Investment liabilities	174	-
Creditors	1,651	60
Bank overdrafts	295	-
Distribution payable on income shares	459	53
Total other liabilities	2,405	113
Total liabilities	2,579	113
Net assets attributable to shareholders	166,374	131,155

Fund Manager's Report

Performance Review

The LV= Japan Growth Fund (Institutional Accumulation Share Class) outperformed the IMA Japan sector during the first half of 2011. The "Performance Table" on page 37 shows the returns of all share classes against the IMA sector.

The underperformance of the electrical and gas supply utilities in the Infrastructure sector made a large positive contribution due to our underweight exposure. In addition, the overweight positions in the Automobiles and Communication sectors generated positive sector allocation results too. Meanwhile, positive stock selection contributions were generated within the Automobiles and Consumption sectors.

The FTSE Japan index declined in the first half of 2011 by 4.76% in yen terms. Some positive exogenous factors initially helped to lift the Japanese market. However, Japanese stock prices suddenly plunged following the Great East Japan earthquake on March 11. Even though the Japanese equity market has managed to stabilise, disruption to manufacturing supply chains, ongoing problems surrounding the Fukushima nuclear power plant, and political disarray caused by a divided parliament and a weakened prime minister have continued to weigh on Japanese stock prices.

Economic data in March and April reveal a widespread collapse in activity since the March earthquake resulted in massive damage to capital stock, parts shortages, supply chain disruption, and power shortages. Industrial production plunged 15.5% in March (compared to February) and continued to languish in April with a meagre gain of just 1.0%. However, manufacturers' efforts to restore quake-affected production facilities and procure alternative parts are making good progress, according to a Ministry of Economy, Trade and Industry survey published April 26. This has raised expectations that supply chain conditions could return to normal by early autumn. Against this backdrop, we expect Japanese economic growth to turn positive in the July-September quarter, when the government spending and corporate capital investment and inventory rebuilding come into full swing, a view increasingly shared by the financial markets.

Japan's economy is still in the early phase of its post disaster reconstruction process, although supply chains were quickly restored and production levels have recovered in many industries, and should be back to normal within a few months. Latest results show that Japanese manufacturers have continued to restrain costs despite expanding production volume, so corporate earnings should confirm strong momentum from the bottom of the April-June quarter towards next year when reconstruction activity is likely to be in full swing. Meanwhile, market valuations are at an attractive level, with a historically low P/B ratio of 1:1 (Nomura400), and P/E ratios for fiscal year 2011 and 2012 of 15:1 and 11:9 (Nomura400), respectively. Upside prospects for corporate earnings depend on further expansion in global demand, which we expect to proceed at a moderate pace.

Nomura Asset Management, Fund Managers

Data Source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested. Attribution data from Statpro.

Fund Objective and Policy

The objective of the Fund is to achieve long-term capital growth from investments principally in Japanese equities. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of Japanese companies to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Fund Facts

Fund Accounting and Distribution	
Accounting Dates	Payment Dates
31 December	28 February
30 June	31 August

Total Expense Ratio (TER) %		
	31 June 2011*	31 December 2010
Group Accumulation Shares	0.11	0.23
Institutional Accumulation Shares	0.66	0.81

* The TER as at 30 June 2011 has been annualised to reflect a full 12 month period.

Performance Tables (Past performance is not a guide to future performance)

Performance History (%)							
Share Class	2011 ¹	2010	2009	2008	2007	2006	Since Launch
Institutional Accumulation Shares	(4.69)	22.79	(0.51)	N/A	N/A	N/A	36.10
Group Accumulation Shares	(4.38)	23.36	0.00	(11.02)	(12.47)	(7.46)	33.30
IMA Japan Sector	(5.08)	19.32	(3.40)	(2.63)	(11.04)	(14.50)	N/A

N/A: data is not available for this period

Data source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested.

Net Asset Values (NAV)				
As at:	Share Class	NAV (£)	NAV pence per share	Number of shares in issue
30 June 2011 ¹	Group Accumulation Shares ²	92,940,854	133.33	69,704,885
31 December 2010	Group Accumulation Shares	46,577,397	139.44	33,404,163
31 December 2009	Group Accumulation Shares	11,871,454	112.97	10,508,734
31 December 2008	Group Accumulation Shares	16,425,476	113.23	14,506,734
30 June 2011 ¹	Institutional Accumulation Shares ²	74,940	136.11	55,058
31 December 2010	Institutional Accumulation Shares	77,462	142.76	54,259
31 December 2009	Institutional Accumulation Shares	85,055	116.34	73,112
31 December 2008	Institutional Accumulation Shares	88,202	117.13	75,300

Share Price Range			
Year to:	Share Class	Highest (pence)	Lowest (pence)
30 June 2011 ¹	Group Accumulation Shares ²	143.90	115.80
31 December 2010	Group Accumulation Shares	140.80	114.40
31 December 2009	Group Accumulation Shares	120.70	89.75
31 December 2008	Group Accumulation Shares	135.22	88.15
31 December 2007	Group Accumulation Shares	150.60	124.00
31 December 2006	Group Accumulation Shares	170.50	135.60
30 June 2011 ¹	Institutional Accumulation Shares ³	147.20	118.50
31 December 2010	Institutional Accumulation Shares	144.20	117.80
31 December 2009	Institutional Accumulation Shares	124.50	92.73
31 December 2008	Institutional Accumulation Shares	118.72	100.60

Notes to Performance Tables

¹ 6 months from 1 January 2011 to 30 June 2011

² The Group Accumulation Share Class was known as the Institutional Accumulation Share Class until 3 November 2008

³ Institutional Accumulation Share Class launched 3 November 2008

Distribution History		
Year to:	Share Class	Pence per Share
30 June 2011 ¹	Group Accumulation Shares ²	1.2016
31 December 2010	Group Accumulation Shares	1.9009
31 December 2009	Group Accumulation Shares	1.3335
31 December 2008	Group Accumulation Shares	1.9578
31 December 2007	Group Accumulation Shares	1.3426
31 December 2006	Group Accumulation Shares	1.2138
30 June 2011 ¹	Institutional Accumulation Shares ³	0.8477
31 December 2010	Institutional Accumulation Shares	1.1989
31 December 2009	Institutional Accumulation Shares	0.8803
31 December 2008	Institutional Accumulation Shares	0.1651

Notes to Performance Tables

¹ 6 months from 1 January 2011 to 30 June 2011

² The Group Accumulation Share Class was known as the Institutional Accumulation Share Class until 3 November 2008

³ Institutional Accumulation Share Class launched 3 November 2008

Distribution Tables

Distribution Tables					
Distribution	Group ¹	Net Income	Equalisation	2011 Distributions ²	2010 Distributions ²
Institutional Accumulation Shares					
Half-yearly	1	0.8477	-	0.8477	0.6361
	2	0.0000	0.8477	0.8477	0.6361
Group Accumulation Shares					
Half-yearly	1	1.2016	-	1.2016	1.0069
	2	0.3536	0.8480	1.2016	1.0069

Notes to Distribution Tables:

1. Groups

Group 1: Distribution for those who bought shares before 1 January 2011

Group 2: Distribution for those who bought shares between 1 January 2011 to 30 June 2011

2. Distributions Paid

If you hold "income shares" you will have received these distributions as income payments unless you opted for these to be reinvested to buy more shares. Distributions for "accumulation shares" will have automatically been reinvested.

Portfolio Statement

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
Automobiles & Parts - 14.56% (13.44%)*			
47,600	Aisin Seiki	1,146	1.23
210,000	Fuji Heavy Industries	1,015	1.09
521,000	Isuzu Motors	1,534	1.65
56,000	Koito Manufacturing	609	0.65
98,000	NHK Spring	623	0.67
542,100	Nissan Motor	3,546	3.81
100,000	Sanden	322	0.35
47,200	Showa	212	0.23
37,200	Toyoda Gosei	526	0.57
115,600	Toyota Motor	2,963	3.19
91,200	Yamaha Motor	1,043	1.12
		13,539	14.56
Banks - 5.04% (5.78%)*			
607,000	Chou Mitsui	1,315	1.41
176,200	Sumitomo Mitsui	3,378	3.63
		4,693	5.04
Building Materials & Construction - 2.59% (3.93%)*			
66,100	JS Group	1,062	1.14
224,000	Maeda	438	0.47
53,400	Nichiha	299	0.32
53,300	Noritz	611	0.66
		2,410	2.59
Chemicals - 4.65% (4.94%)*			
279,000	Denki Kagaku Kogyo	836	0.90
325,000	DIC	480	0.52
176,000	Kureha Chemical	539	0.58
121,000	Sekisui Chemical	644	0.69
328,000	Showa Denko	423	0.45
134,000	Sumitomo Bakelite	559	0.60
181,000	Sumitomo Chemical	562	0.60
18,800	Tocalco	289	0.31
		4,332	4.65
Electronic Appliances & Components - 16.06% (14.57%)*			
145,000	Dainippon Screen Manufacturing Company	768	0.83
35,400	DTS	215	0.23
132,900	Elpida Memory	970	1.04
32,800	Foster Electric	409	0.44
48,900	Fuji Photo Film	949	1.02
69,300	Funai Electric	1,140	1.23
439,000	Hitachi	1,613	1.73
114,800	Hitachi High Technology	1,566	1.68

LV= Japan Growth Fund (continued)

Portfolio Statement (continued)

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Electronic Appliances & Components (continued)		
34,300	Ibiden	667	0.72
22,300	Rohm	796	0.86
62,000	Sanken Electric	227	0.24
125,500	Seiko Epson	1,353	1.45
99,600	Sony	1,638	1.76
604,000	Toshiba	1,980	2.13
123,400	Yokogawa Electric	655	0.70
		14,946	16.06
	Engineering & Machinery - 1.46% (2.88%)*		
24,200	Makita Corporation	701	0.75
198,000	Minebea	657	0.71
		1,358	1.46
	Fishery, Agriculture & Forestry - 1.15% (1.12%)*		
358,000	Oji Paper	1,071	1.15
	Foods - 0.58% (0.40%)*		
6,900	Cocokara Fine	109	0.12
44,800	Fuji Oil	430	0.46
		539	0.58
	General Retailers - 13.11% (12.20%)*		
11,200	Alpen	114	0.12
9,100	Fast Retailing	917	0.99
154,800	Isetan Mitsukoshi Holdings	944	1.01
432,800	Itochu	2,800	3.01
138,900	Marui	656	0.71
223,600	Mitsui & Company	2,404	2.58
53,500	Nichii Gakkan Company	297	0.32
12,700	Paltac	143	0.15
10,300	Ryohin Keikaku	308	0.33
78,400	Seven and I Holdings	1,314	1.41
106,000	Sumitomo Corporation	897	0.96
41,400	United Arrows	547	0.59
17,120	Yamada Denki	868	0.93
		12,209	13.11
	Household Goods & Textiles - 0.42% (0.41%)*		
21,000	Fuji Seal	287	0.31
9,100	Mitsubishi Pencil	102	0.11
		389	0.42

Portfolio Statement (continued)
As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Industrial Engineering - 6.60% (6.77%)*		
93,100	Aida Engineering	273	0.29
70,800	Daikin Industries	1,561	1.68
156,000	Dowa Mining	601	0.65
34,700	Glory	487	0.52
541,500	Hitachi Zosen	526	0.57
581,000	Kawasaki Heavy Industries	1,440	1.55
7,800	SMC	875	0.94
97,000	Tsubakimoto Chain	373	0.40
		6,136	6.60
	Information Technology - 1.85% (3.19%)*		
85,000	Fujitsu	351	0.38
40,000	TDK	1,370	1.47
		1,721	1.85
	Leisure & Hotels - 2.91% (3.85%)*		
22,700	Daiichikosho	230	0.25
15,800	Nintendo	1,850	1.99
52,500	Saizeriya	623	0.67
		2,703	2.91
	Media - 0.26% (0.00%)*		
23,700	Moshi Mosho Hotline	240	0.26
	Mining - 1.35% (1.54%)*		
123,000	Sumitomo Metal Mining	1,256	1.35
	Mobile Telecommunications - 1.78% (1.82%)*		
369	KDDI	1,654	1.78
	Non-Life Insurance - 1.96% (0.93%)*		
104,300	Tokio Marine Holdings	1,819	1.96
	Pharmaceuticals & Biotechnology - 3.02% (2.90%)*		
163,000	Kyowa Hakko Kogyo	969	1.04
28,000	Nippon Shinyaku	223	0.24
158,500	Shionogi & Co	1,619	1.74
		2,811	3.02
	Real Estate - 1.29% (2.42%)*		
110,000	Mitsubishi Estate	1,201	1.29
	Software & Computer Services - 0.00% (0.39%)*		

LV= Japan Growth Fund *(continued)*

Portfolio Statement *(continued)*

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
Speciality & Other Finance - 6.79% (5.74%)*			
87,800	Aeon Credit Service	749	0.81
796,800	Mitsubishi UFJ Financial	2,414	2.60
34,210	Orix	2,070	2.23
72,100	T&D Holdings	1,067	1.15
		6,300	6.79
Steel & Other Metals - 1.87% (0.98%)*			
151,000	Hitachi Metals	1,329	1.43
62,700	Tokyo Steel Manufacturing	412	0.44
		1,741	1.87
Telecommunication - 5.26% (3.96%)*			
40,600	Nippon Telegraph & Telephone	1,219	1.31
3,305	NTT DoCoMo	3,671	3.95
		4,890	5.26
Tobacco - 1.03% (1.53%)*			
397	Japan Tobacco	954	1.03
Transport - 3.39% (3.70%)*			
44,800	East Japan Railway	1,601	1.72
91,000	Mitsui Soko	223	0.24
324,000	Nippon Yusen KK	750	0.81
76,800	Skymark airlines	579	0.62
		3,153	3.39
	Market value of investments	92,065	98.98
	Net other assets	951	1.02
	Net assets	93,016	100.00

* Percentage of holdings in this sector at 31 December 2010.

NOTE: All assets are securities and admitted to official stock exchange listing unless otherwise stated.

Top Ten Purchases and Sales	
For the six months ended 30 June 2011	
Purchases	£'000
NTT Docomo	2,414
Toyota Motor	2,357
Nissan Motor	2,086
Sumitomo Mitsui	1,963
Mitsubishi UFJ Financial	1,645
Itochu	1,564
Nintendo	1,483
Tokio Marine Holdings	1,474
Toshiba	1,407
Sony	1,375
	17,768
Total Purchases for the period	65,984
Sales	£'000
Toyota Motor	1,536
Kubota	1,298
SMC	915
Shimadzu	912
East Japan Railway	748
Hitachi Chemical	734
JS Group	710
Isetan Mitsukoshi Holdings	515
Taiheiyō Cement	473
KDDI	450
	8,291
Total Sales for the period	20,046

Statement of Total Return		
For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Income		
Net capital (losses)/gains	(296)	822
Revenue	622	146
Expenses	(36)	(20)
Net revenue before taxation	586	126
Taxation	(44)	(10)
Net revenue after taxation	542	116
Total return before distributions/accumulations	246	938
Finance costs: distributions/accumulations	(542)	(116)
Change in net assets attributable to shareholders from investment activities	(296)	822

LV= Japan Growth Fund *(continued)*

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Opening net assets attributable to shareholders	46,655	11,957
Amounts received on issue of shares	50,956	1,310
Amounts paid on cancellation of shares	(5,150)	(1,592)
	45,806	(282)
Dilution levy charged	13	-
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)	(296)	822
Retained distribution on accumulation shares	838	104
Closing net assets attributable to shareholders	93,016	12,601

Balance Sheet

As at 30 June 2011	30/06/2011 £'000	31/12/2010 £'000
Assets		
Investment assets	92,065	46,369
Debtors	137	153
Cash and bank balances	944	416
Total other assets	1,081	569
Total assets	93,146	46,938
Liabilities		
Creditors	130	164
Bank overdrafts	-	119
Total other liabilities	130	283
Total liabilities	130	283
Net assets attributable to shareholders	93,016	46,655

Fund Manager's Report

Performance Review

Asian equity markets were marginally down over the 6 month period. The global macroeconomic backdrop and in particular the European sovereign debt and banking crises have weighed on equity markets and resulted in periods of risk aversion. However, Asian corporate profitability and balance sheets have generally remained strong, which has allowed Asian markets to rebound.

Individual markets performed in a range from -10% to +11%. India (-10%) was by far the worst performer due to persistent inflation, the consequent tight monetary policy and resulting slower growth. China (-3%) had similar inflation and policy concerns but has not suffered to the same extent. Taiwan (-5%) was most affected by the disruption from the Japanese earthquake due to the impact on the technology supply chain. Korea (+6%), on the other hand, benefited from being a competitor in many of the industries (such as autos) where Japanese competitors have been unable to produce. Indonesia (+11%) was the star performer, helped by further declines in bond yields and continued strong growth, particularly in the consumer sector.

Overall stock selection was positive but asset allocation was a drag, mainly due to the overweight position in India with which we started the year. Chinese stock selection was strong due to exposure to commodity stocks such as China National Building Materials (Cement) and Yanzhou Coal. Hong Kong stock selection was positive, mainly due to the holding in Jardine Matheson, which benefited from its large retail and auto distribution businesses in South East Asia. Korean stock selection was negative. Despite owning some strong performers, our portfolio had too much value (e.g. Banks) and not enough momentum (such as Autos). Indian stock selection was negative, where exposure to Commodities and financials stocks was a drag given the macroeconomic environment.

The primary overweight position remains Hong Kong/China where we see both structural growth opportunities and some value in cyclical, policy-affected sectors. We added to Korea to move to overweight during a pull-back in that market, which remains both cheap and benefiting from an undervalued currency. The portfolio is underweight in Australia, where we see profits downgrades in stocks exposed to the domestic economy (but continued strength in commodity related sectors), Malaysia (relatively expensive) and Taiwan (profits downgrades).

Asian markets look reasonable value on 12-13x PE and 1.8x Price/book, both very close to their long term averages. Corporate profitability continues to be relatively strong. Asian economies are not struggling with the debt issues which dominate in much of the developed world. However, inflation has been somewhat persistent and therefore monetary policy is being tightened across the region. However, this does not negate the case for investing in Asia, which remains compelling from a long term value and growth perspective.

JF Asset Management, Fund Managers

Data Source: JFAM / JPMorgan Research

Fund Objective and Policy

The objective of the Fund is to achieve long-term capital growth from investments principally in Far East equities, excluding Japan. Investment may also occur in other transferable securities, money market instruments, deposits, cash and near cash, derivative instruments and forward transactions and units in collective investment schemes when deemed appropriate.

The Fund will normally be invested in a range of Far East markets to maximise the return whilst moderating the risk of equity investment at any particular point in the economic and business cycle.

The Fund may from time to time use derivatives for the purposes of efficient portfolio management only, although derivatives may be used for investment purposes on not less than 60 days' notice to investors.

Fund Facts

Fund Accounting and Distribution

Accounting Dates	Payment Dates
31 December	28 February
30 June	31 August

Total Expense Ratio (TER) %

	30 June 2011*	31 December 2010
Group Accumulation Shares	0.23	0.25
Institutional Accumulation Shares	0.77	0.80

* The TER as at 30 June 2011 has been annualised to reflect a full 12 month period.

LV= Pacific ex-Japan Growth Fund *(continued)*

Performance Tables (Past performance is not a guide to future performance)

Performance History (%)

Share Class	2011 ¹	2010	2009	2008	2007	2006	Since Launch
Group Accumulation Shares	(1.37)	24.35	55.37	(32.22)	37.48	17.37	267.20
Institutional Accumulation Shares	(1.62)	23.67	54.64	N/A	N/A	N/A	106.60
IMA Asia Pacific Excluding Japan Sector	(2.04)	21.40	52.44	(33.22)	36.44	17.70	N/A

N/A: data is not available for this period

Data Source: Copyright - © 2011, Lipper. All rights reserved. Bid to Bid basis with net income reinvested.

Net Asset Values (NAV)

As at:	Share Class	NAV (£)	NAV pence per share	Number of shares in issue
30 June 2011 ¹	Group Accumulation Shares ²	19,962,101	366.71	5,443,498
31 December 2010	Group Accumulation Shares	34,042,657	371.62	9,160,615
31 December 2009	Group Accumulation Shares	22,462,625	299.05	7,511,243
31 December 2008	Group Accumulation Shares	35,050,885	192.06	18,250,394
30 June 2011 ¹	Institutional Accumulation Shares ³	910,143	206.27	441,240
31 December 2010	Institutional Accumulation Shares	961,697	209.60	458,820
31 December 2009	Institutional Accumulation Shares	666,163	169.61	392,770
31 December 2008	Institutional Accumulation Shares	410,887	109.40	375,592

Share Price Range

Year to:	Share Class	Highest (pence)	Lowest (pence)
30 June 2011 ¹	Group Accumulation Shares ²	377.60	336.10
31 December 2010	Group Accumulation Shares	373.60	277.10
31 December 2009	Group Accumulation Shares	301.70	168.20
31 December 2008	Group Accumulation Shares	286.10	129.10
31 December 2007	Group Accumulation Shares	305.70	195.40
31 December 2006	Group Accumulation Shares	206.80	160.60
30 June 2011 ¹	Institutional Accumulation Shares ³	213.00	189.40
31 December 2010	Institutional Accumulation Shares	210.70	157.10
31 December 2009	Institutional Accumulation Shares	171.10	95.80
31 December 2008	Institutional Accumulation Shares	110.00	87.30

Notes to Performance Tables

¹. 6 months from 1 January 2011 to 30 June 2011

². Group Accumulation Share Class launched 5 September 2002 and were known as Institutional shares until 3 November 2008

³. Institutional Accumulation Share Class launched 3 November 2008

Distribution History		
Year to:	Share Class	Pence per Share
30 June 2011 ¹	Group Accumulation Shares ²	4.3437
31 December 2010	Group Accumulation Shares	6.4179
31 December 2009	Group Accumulation Shares	4.7996
31 December 2008	Group Accumulation Shares	5.2068
31 December 2007	Group Accumulation Shares	4.6112
31 December 2006	Group Accumulation Shares	3.6906
30 June 2011 ¹	Institutional Accumulation Shares ³	1.9056
31 December 2010	Institutional Accumulation Shares	2.6300
31 December 2009	Institutional Accumulation Shares	2.1349
31 December 2008	Institutional Accumulation Shares	0.3212

Notes to Performance Tables

¹. 6 months from 1 January 2011 to 30 June 2011

². Group Accumulation Share Class launched 5 September 2002 and were known as Institutional shares until 3 November 2008

³. Institutional Accumulation Share Class launched 3 November 2008

Distribution Tables

Distribution Tables					
Distribution	Group ¹	Net Income	Equalisation	2011 Distributions ²	2010 Distributions ²
Group Accumulation Shares					
Half-yearly	1	4.3437	-	4.3437	3.4206
	2	4.3437	-	4.3437	3.4206
Institutional Accumulation Shares					
Half-yearly	1	1.9056	-	1.9056	1.4547
	2	1.4086	0.4970	1.9056	1.4547

Notes to Distribution Tables:

1. Groups

Group 1: Distribution for those who bought shares before 1 January 2011

Group 2: Distribution for those who bought shares between 1 January 2011 to 30 June 2011

2. Distributions Paid

If you hold "income shares" you will have received these distributions as income payments unless you opted for these to be reinvested to buy more shares. Distributions for "accumulation shares" will have automatically been reinvested.

LV= Pacific ex-Japan Growth Fund *(continued)*

Portfolio Statement

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
Australia - 24.30% (19.08%)*			
205,100	Asciano Group	225	1.08
47,763	Australia and New Zealand Banking	704	3.37
36,507	BHP Billiton	1,071	5.13
91,000	Boart Longyear Group	243	1.16
21,201	Brambles	102	0.49
52,396	Fortescue Metals Group	223	1.07
37,600	Fosters Group	130	0.62
34,400	National Australia Bank	590	2.83
5,330	Newcrest Mining	135	0.65
70,000	Oil Search	312	1.49
31,449	QBE Insurance Group	363	1.74
8,486	Rio Tinto	471	2.26
46,000	Suncorp Group	250	1.20
20,000	Treasury Wine Estates	46	0.22
9,650	Wesfarmers	206	0.99
		5,071	24.30
Bermuda - 5.32% (4.53%)*			
19,450	Jardine Matheson	691	3.31
12,000	Jardine Strategic	229	1.10
128,500	Ports Design	189	0.91
		1,109	5.32
Cayman Islands - 2.45% (2.12%)*			
767,000	Glorious Property Holdings	148	0.71
15,500	Tencent Holdings	261	1.25
51,200	Wynn Macau	103	0.49
		512	2.45
China - 16.86% (13.47%)*			
452,000	Aluminium Corporation of China	237	1.14
362,000	China Communications Construction	193	0.92
1,406,900	China Construction Bank	727	3.48
324,000	China National Building Material Company	396	1.90
616,000	China Petroleum & Chemicals 'H'	385	1.84
89,780	China Vanke	75	0.36
337,000	Hidili Industry International Development	181	0.87
1,258,500	Industrial & Commercial Bank of China	595	2.85
39,000	Jiangxi Copper	81	0.39
188,800	MGM China Holdings	216	1.03
21,000	Ping An Insurance	135	0.65
126,000	Yanzhou Coal Mining 'H'	298	1.43
		3,519	16.86

Portfolio Statement (continued)
As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Hong Kong - 16.41% (11.28%)*		
55,000	BOC Hong Kong Holdings	99	0.47
33,000	Cheung Kong Holdings	300	1.44
116,000	China Resources Land	130	0.62
130,200	China Taiping Insurance Holding	183	0.88
180,000	CNOOC	262	1.26
166,000	Cosco Pacific	181	0.87
66,400	HSBC Holdings (Hong Kong listed)	410	1.96
192,000	I.T Limited	116	0.56
160,000	Intime Department Store	169	0.81
114,000	Kerry Properties	341	1.63
50,000	Lifestyle International	91	0.44
214,000	Poly (Hong Kong) Investment	88	0.42
43,000	Power Assets Holdings	202	0.97
450,000	Prime Success International Group	250	1.20
116,000	Sands China	194	0.93
94,000	Wharf Holdings	407	1.95
		3,423	16.41
	India - 7.75% (8.63%)*		
33,788	Bharti Airtel P-Note 09/09/2014	186	0.89
6,887	HDFC Bank P-Note 25/08/2014	241	1.15
9,719	Infosys Technologies ADR	391	1.87
170,177	Infrastructure Development Finance P-Note 25/08/2014	311	1.49
7,378	Reliance GDR	182	0.87
12,578	Tata Motors ADR	175	0.84
7,383	Tata Power P-Note 08/09/2014	134	0.64
		1,620	7.75
	Indonesia - 2.80% (1.56%)*		
230,038	Bank Mandiri	120	0.57
99,000	Bank Negara Indonesia	28	0.13
246,500	Bank Rakyat Indonesia	117	0.56
44,000	Indo Tambangraya Megah	143	0.69
98,500	United Tractors TBK	178	0.85
		586	2.80

LV= Pacific ex-Japan Growth Fund *(continued)*

Portfolio Statement *(continued)*

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
Korea - 20.82% (14.16%)*			
6,100	Hana Financial Holdings	133	0.64
1,541	Hyundai Heavy Industries	399	1.91
930	Hyundai Mobis	217	1.04
2,500	Hyundai Motor	346	1.66
30,608	KB Financial	903	4.33
666	Korea Kumho Petrochemical	91	0.44
5,677	KT&G	220	1.05
40,625	LG Telecom	137	0.66
760	Lotte Shopping	226	1.08
869	OCI Company	205	0.98
828	POSCO	224	1.07
5,600	Samsung Corporation	268	1.28
1,731	Samsung Electronics	834	4.00
946	Samsung Engineering	141	0.68
		4,344	20.82
Malaysia - 1.71% (1.31%)*			
76,400	CIMB Group Holdings	140	0.67
46,000	Genting	106	0.51
76,100	Petronas Chemicals	111	0.53
29	Sime Darby Berhad	-	-
		357	1.71
New Zealand - 0.69% (0.70%)*			
32,413	Fletcher Challenge Building Division	143	0.69
Singapore - 5.40% (4.77%)*			
47,300	Keppel Corporation	266	1.27
72,000	Keppel Land	132	0.63
105,000	Neptune Orient Lines	81	0.39
92,000	Overseas-Chinese Banking Corporation	437	2.09
125,000	Singapore Telecommunications	200	0.96
1,305	United Overseas Bank	13	0.06
		1,129	5.40
Taiwan - 9.57% (7.43%)*			
144,070	Advanced Semiconductor Engineering	98	0.47
26,000	Asustek Computer	160	0.77
144,000	Formosa Chemical & Fibre	332	1.59
82,000	Foxconn Technology	210	1.01
275,335	Fubon Financial Holding	263	1.26
83,027	Hon Hai Precision Industry	177	0.85
319,000	Mega Financial Holding	173	0.83
248,672	Taiwan Cement	230	1.10
179,181	Taiwan Semiconductor Manufacturing	279	1.34
66,000	Unimcron Technology	73	0.35
		1,995	9.57

Portfolio Statement (continued)

As at 30 June 2011

Holding	Sector/Company	Market Value £'000	% Total Net Assets
	Thailand - 2.52% (3.43%)*		
168,000	Charoen Pokphand Foods	100	0.48
519,800	Krung Thai Bank	197	0.94
17,700	PTT	120	0.57
3,074,800	Quality Houses	111	0.53
		528	2.52
	Derivatives - 0.00% (0.04%)*		
3	HKG H-SHARES Index July 2011	1	-
1	KFE Kospi 200 Index September 11	-	-
		1	-
	Warrants - 2.97% (3.80%)		
141,415	Hindalco Industries 21/09/2012	354	1.70
6,968	Maruti Suzuki India 21/05/2012	113	0.54
8,000	TPK Holding Warrants 23/12/2011	152	0.73
		619	2.97
	Market value of investments	24,956	119.57
	Net other liabilities	(4,084)	(19.57)
	Net assets	20,872	100.00

* Percentage of holdings in this sector at 31 December 2010.

NOTE: All assets are securities and admitted to official stock exchange listing unless otherwise stated.

LV= Pacific ex-Japan Growth Fund *(continued)*

Top Ten Purchases and Sales	
For the six months ended 30 June 2011	
Purchases	£'000
National Australia Bank	552
HSBC Holdings (Hong Kong listed)	468
Wharf Holdings	457
Overseas-Chinese Banking Corporation	427
Australia and New Zealand Banking	394
KB Financial	355
Hyundai Motor	342
Oil Search	322
Polaris Securities	281
Boart Longyear Group	262
	3,860
Total Purchases for the period	11,389
Sales	£'000
Westpac Banking	1,062
United Overseas Bank	643
Wharf Holdings	612
China National Building Material Company	522
BHP Billiton	504
Samsung Electronics	500
Parkson Retail	448
Daelim Industrial	422
AMP	359
Orica	356
	5,428
Total Sales for the period	19,454

Statement of Total Return		
For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Income		
Net capital losses	(726)	(41)
Revenue	367	293
Expenses	(33)	(36)
Net revenue before taxation	334	257
Taxation	(22)	(16)
Net revenue after taxation	312	241
Total return before accumulations	(414)	200
Finance costs: accumulations	(312)	(242)
Change in net assets attributable to shareholders from investment activities	(726)	(42)

Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 30 June 2011	30/06/2011 £'000	30/06/2010 £'000
Opening net assets attributable to shareholders	35,004	23,129
Amounts received on issue of shares	159	127
Amounts paid on cancellation of shares	(13,825)	(3,603)
	(13,666)	(3,476)
Dilution levy charged	15	-
Change in net assets attributable to shareholders from investment activities (see Statement of total return above)	(726)	(42)
Retained distribution on accumulation shares	245	224
Closing net assets attributable to shareholders	20,872	19,835

Balance Sheet

As at 30 June 2011	30/06/2011 £'000	31/12/2010 £'000
Assets		
Investment assets	24,956	33,711
Debtors	128	8
Cash and bank balances	643	1,315
Total other assets	771	1,323
Total assets	25,727	35,034
Liabilities		
Creditors	4,855	30
Total other liabilities	4,855	30
Total liabilities	4,855	30
Net assets attributable to shareholders	20,872	35,004

General Information

Minimum Holdings and Transactions

	Monthly	Lump sum	Subsequent Investment	Minimum Shareholding
Retail Shares	£100	£1,000	£500	£500
Second Retail Shares	£100	£1,000	£500	£500
Institutional Shares	-	£500,000	£50,000	£50,000

Subscription Days

Shares may be purchased or sold on any business day. The price of shares is calculated daily. A forward pricing basis is used. Prices are published on our website (www.LVAM.co.uk) or can be obtained by telephone on 0845 113 0273. Calls may be recorded for training and monitoring purposes.

Selling Shares

Shareholders may offer all their shares for sale to the ACD. Alternatively, they may offer a lesser number for sale, provided they retain at least the minimum holding referred to above. All sale instructions must be made to the ACD in writing. The shares will be purchased from the shareholder at the next valuation point and a contract note confirming the sale will be sent.

Dilution

The Company may suffer dilution (reduction) in the value of the Scheme Property as a result of the costs incurred in dealing in its investments and of any spread between the buying and selling prices of these investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time. In order to counter this, the ACD may require the payment of a dilution levy. In cases where a dilution levy is made the value of the capital of the scheme property will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of shares on their issue by the Company or sale by the ACD and as a deduction to the price of shares on their cancellation by the Company or redemption by the ACD. The ACD has no entitlement to the dilution levy. It will either be paid onto the Company, in the case of an issue of shares by the Company or sale by the ACD, or retained in the Company in the case of a cancellation of shares by the Company or redemption by the ACD.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below. The ACD may charge a dilution levy on any purchase or redemption of shares if, in its opinion, the existing shareholders (for purchases) or continuing shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner that, so far as practicable, is fair to all shareholders or potential shareholders. In particular, the dilution levy may be charged in the following circumstances:

- if the Company is experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- if the Company is experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- on "large deals". For these purposes, a large deal is defined as a purchase or redemption in excess of £1,000,000 or 2% or more of the value of the Company whichever shall be lower;
- in any other case where the ACD is of the opinion that the interests of existing/continuing shareholders and potential shareholders require the imposition of a dilution levy.

In order to reduce the volatility in the rate of any dilution levy, the ACD may take account of the trend of the Company to expand or to contract; and the transactions in shares at a particular Valuation Point.

For illustrative purposes, for the 6 months from 1 January 2011 to 30 June 2011 dilution levies were made on the following occasions:

Fund	Retail Accumulation Shares		Retail Income Shares		Second Retail Accumulation Shares	
	Range of Charges(%)	Number of Occasions	Range of Charges(%)	Number of Occasions	Range of Charges(%)	Number of Occasions
LV= UK Equity Income	N/A	N/A	none	nil	N/A	N/A
LV= UK Growth	none	nil	N/A	N/A	none	nil
LV= European ex-UK growth	none	nil	N/A	N/A	none	nil
LV= Japan Growth	N/A	N/A	N/A	N/A	N/A	N/A
LV= Pacific Growth	N/A	N/A	N/A	N/A	N/A	N/A

	Second Retail Income Shares		Institutional Accumulation Shares		Institutional Income Shares	
	Range of Charges(%)	Number of Occasions	Range of Charges(%)	Number of Occasions	Range of Charges(%)	Number of Occasions
LV= UK Equity Income	none	nil	none	nil	none	nil
LV= UK Growth	N/A	N/A	none	nil	N/A	N/A
LV= European ex-UK growth	N/A	N/A	none	nil	none	nil
LV= Japan Growth	N/A	N/A	none	nil	N/A	N/A
LV= Pacific Growth	N/A	N/A	none	nil	N/A	N/A

	Institutional Hedged Shares		Group Shares	
	Range of Charges(%)	Number of Occasions	Range of Charges(%)	Number of Occasions
LV= UK Equity Income	N/A	N/A	0.20 to 0.70	2
LV= UK Growth	N/A	N/A	0.2	2
LV= European ex-UK growth	0.2	2	none	nil
LV= Japan Growth	N/A	N/A	0.10 to 0.25	4
LV= Pacific Growth	N/A	N/A	0.13	4

Charges

Certain charges are levied to cover the operating costs of the ACD.

	Initial Charge	Annual Management Charge
Retail Shares	5%	1.0%
Second Retail Shares	4%	1.5%
Institutional Shares	5%	0.55%
Group Shares	0%	0%

An initial charge may be levied when Retail Shares or Institutional Shares are created, all or part of which may be waived at the discretion of the ACD.

An annual management charge is also levied as a percentage of the Net Asset Value represented by relevant share class. In addition each Fund pays expenses for the professional services they receive - such as safe custody, audit, regulatory and fund management advice. These charges are deducted daily from the income of the Fund.

Accumulation

Revenue is accumulated by a transfer to the capital account of each Fund on the day following the record date, being the last day in each accounting period.

Reports

The simplified short report is sent to all shareholders on a half-yearly basis. The full long form report and accounts are available on request from Liverpool Victoria Portfolio Managers Limited, PO Box 10033, Chelmsford, CM99 2AL.

Taxation

The following is based on our understanding of current law and HM Revenue & Customs practice; changes can occur without warning. It does not describe the tax treatment of shareholders who are subject to special tax regimes or the detailed tax treatment of persons resident in other jurisdictions other than the UK. All shareholders are advised to consult their professional advisers as to their tax position. Overseas dividends are not subject to corporation tax from 1 July 2009 due to changes enacted in Finance Act 2009.

The Funds

Each Fund is treated as a separate open-ended investment company for United Kingdom tax purposes.

The Funds may receive interest, dividend or interest distributions from UK collective investment schemes or dividends in respect of investments in equities. The dividends and any part of the dividend distributions which relate to dividends are not subject to corporation tax in the Fund. Each Fund is liable to UK corporation tax at the current rate on any other types of income after deducting management expenses, charges and the gross amount of any interest distributions. Non-UK income can suffer foreign tax where it arises. Each Fund will pay any distributable income as dividend distributions (which will be automatically retained in the Fund in the case of accumulation Shares) on each relevant distribution date.

The Funds are generally exempt from UK corporation tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives) held within them. In some cases, gains realised on non-UK investments can be subject to tax.

Individual Shareholders

Dividend distributions to UK resident individuals

Dividend distributions will be received by UK resident individual taxpayers with a 10% tax credit.

Basic rate taxpayers will be liable to income tax on their dividend income at the rate of 10%. Therefore the 10% tax credit on dividend distributions will satisfy the liability to UK income tax of basic rate taxpayers. A basic rate taxpayer will have no further tax liability.

Shareholders liable to UK income tax at the higher or additional rate must account to HM Revenue & Customs for any further tax due on the gross amount of the income that is the distribution plus the tax credit.

Higher rate taxpayers will be liable to income tax on their grossed up dividend income of 32.5% but may offset the 10% tax credit against this liability. In other words, higher rate tax payers will be liable to pay income tax equivalent to 25% of their net receipt. Additional rate taxpayers are subject to income tax on their grossed up dividend income at the rate of 42.5%, against which the tax credit can also be offset, therefore the income tax due will be equivalent to approximately 36% of the amount received.

Non-taxpayers may not reclaim the tax credits on dividend distributions paid.

Dividend distributions to non-UK resident individuals

Shareholders who are not resident in the UK will generally not be entitled to reclaim any part of the tax credit on a dividend distribution from HM Revenue & Customs although it will normally satisfy their UK tax liability on that income. They may also be able to offset the tax credit against their liability to tax in their own country. This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the UK, and is only likely to be the case where income is distributed, not accumulated.

Capital gains of UK resident individuals

Any gains arising on a disposal of shares by an individual shareholder who is resident or ordinarily resident in the UK are, depending on the shareholder's personal circumstances, subject to capital gains tax. Once an individual's aggregate chargeable gains for a tax year exceed the annual exempt amount for the year, the balance will be subject to capital gains tax at the applicable rate.

Part of any increase in value of accumulation Shares represents accumulated income (including income equalisation). These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

Individual Shareholders will find further information in the HM Revenue & Customs Help Sheets for the capital gains tax pages of their tax returns.

It is possible to check HM Revenue and Customs up-to-date figures on Capital Gains Tax rates at www.hmrc.gov.uk

Exchange between Funds by UK resident individuals

An exchange of shares in one Fund for shares in any other Fund is treated as a redemption and issue and will for persons subject to UK taxation be a realisation for the purposes of capital gains tax.

Exchange between shares classes of the same Fund by UK resident individuals

An exchange of one class of shares in one Fund for another class of shares in the same Fund will not constitute a realisation for the purposes of capital gains tax.

Corporate shareholders

Dividend distributions to UK resident companies

UK resident corporate shareholders who receive dividend distributions (whether or not they are accumulated) may have to divide them into two (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a UK company will be treated as dividend income (that is, franked investment income) and no further tax will be due on it. The remainder will be received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may, depending on their circumstances, be liable to tax on the grossed up amount, with the benefit of the income tax credit attached or to reclaim part of the tax credit as shown on the tax voucher.

Dividend distributions to non-UK resident companies

Non-UK resident corporate shareholders resident in certain jurisdictions and directly or indirectly holding over 15% of the voting power in the Company may be entitled, on receipt of dividend distributions, to payment of a very small tax credit by HM Revenue & Customs under an applicable double taxation agreement. In other cases, no tax credit will generally be due to the non-UK resident company.

Capital gains of UK resident companies

Any gains (after taking account of indexation relief) arising to UK resident corporate shareholders on disposal of their shares will be subject to corporation tax.

Exchange between Funds by UK resident companies

An exchange of shares in one Fund for shares in any other Fund is treated as a redemption and issue and will for persons subject to UK taxation be a realisation for the purposes of capital gains tax.

Exchange between share classes of the same Fund by UK resident companies

An exchange of one class of shares in one Fund for another class of shares in the same Fund will generally not constitute a realisation for the purposes of capital gains tax.

Non-Taxpayers

Individuals

Individual non-taxpayers (including ISA investors) cannot reclaim the tax credit on dividend distributions (or accumulations).

Pension funds

Pension Funds cannot reclaim the tax credit on dividend distributions.

Charities

Charities are not entitled to claim tax credits on dividend distributions.

ISAs

The tax credit on dividend distributions is no longer repayable to ISA holders.

Income Equalisation

Since each Fund operates equalisation, the first allocation made after the acquisition of Shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the Shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of the Shares in arriving at any capital gain realised on their subsequent disposal.

Stamp Duty Reserve Tax

Each Fund will be liable for stamp duty reserve tax (SDRT) on surrenders and certain other transfers of shares of the Fund. The cost of any SDRT which needs to be paid will be met out of the property of each Fund.

The SDRT System

SDRT arises on the surrender (i.e. the redemption or switching) and certain transfers of shares. The charge is 0.5% of the value of surrenders and transfers in each Fund each week reduced proportionately to the extent that during that week and the following week the:

- (a) investments held by the Fund are exempt assets that is, broadly, any assets other than UK equities and holdings in collective investment schemes (this will reduce the charge to nil where a Fund is invested entirely in exempt assets); and
- (b) purchases of shares are less by number than surrenders of shares. With a view to protecting Shareholders from a resulting diminution in the value of Shares, an authorised corporate director of an OEIC is permitted to require the payment of an SDRT provision as an addition to (but not as part of) the price of Shares when they are issued or purchased, and as a deduction when they are cancelled or redeemed.

Surrender of Shares

The ACD has the discretion to charge the SDRT liability against the Scheme Property attributed to each Fund or Class as appropriate, or to charge an SDRT provision to outgoing Shareholders by way of an exit charge. The ACD will not retain any SDRT provision but will pay this in to the property of the relevant Fund.

The ACD reserves the right in exceptional circumstances to charge an SDRT provision on redemptions of shares and also to levy an SDRT provision on a transferee in the case of third party transfers.

The ACD's policy is to charge SDRT to the relevant Fund, which means that it has not and does not expect to levy an SDRT provision.

Transfers of Shares

Transfers of Shares from one Shareholder to another may be exempt from SDRT, depending on the circumstances. Shareholders transferring Shares should complete a stock transfer form in the normal way. Evidence of any exemption from SDRT should be submitted with the transfer in appropriate cases.

Frequency of SDRT provision

With a view to protecting shareholders from a resulting diminution in the value of Shares, an authorised corporate director of an OEIC is permitted to require the payment of an SDRT provision as an addition to (but not as part of) the price of Shares when they are issued or purchased, and as a deduction when they are cancelled or redeemed.

Prospectus

Further details concerning the Funds are contained in the Simplified Prospectus or Full Prospectus, which is available on request from the ACD.

Application for shares

Your first investment into the Company can be made by completing our standard application form, by telephone, or via our online application form on our website www.LVAM.co.uk. You can make additional investments by letter, telephone or online provided you include your full name and investment details for registration purposes. All written applications should be sent to our administration address, Liverpool Victoria Portfolio Managers Limited, PO Box 10033, Chelmsford, CM99 2AL. Applications will only become effective when they are received at this address. Buying and selling shares - shares are bought or sold on your behalf in the Company on a forward pricing basis. This means, if we receive your full instructions in writing to invest, switch or cash in money before 2 p.m. on a business day, you will get the share price calculated that day. If we receive your instructions after 2 p.m. or on days which are not business days, you will get the price calculated on the next business day.

