



Aviva Investors UK Property Fund, Aviva Investors UK Property Feeder Inc Fund & Aviva Investors UK Property Feeder Acc Fund (the “Funds”)

Decision to close the Funds

Questions and Answers

With effect from 19 July 2021 the Funds will be placed into termination (closure). All dealing in the Funds will continue to be suspended.

If you bought units/shares in any of the Funds through a platform or fund supermarket, please contact your provider directly so they can confirm their arrangements for dealing with the closure.

We're here to help

We appreciate you may have some questions about our decision to close the Funds. We've answered some of the common questions we expect you may have here.

Please don't hesitate to contact us if you want to discuss any of these points or have any other questions; we'll be pleased to help. You can call us free on 0800 051 2003* (internationally on +44 1268 44 8219*) or you can write to us at

Aviva Investors Administration Office PO Box 10410 Chelmsford CM99 2AY

<https://www.avivainvestors.com/en-gb/paif/>

* Calls may be recorded for training and monitoring purposes, and to comply with applicable law and regulations. Details of call charges are given below:

0800 051 2003 – Calls are free from UK landlines and mobiles.

+44 1268 448219 – Call charges to this number will depend on the call package you have arranged with your landline or mobile provider.

Notice of planned closure

We are now progressing with the sale of all of the properties in the Funds and the closure will formally begin on 19 July 2021. Once the properties have been sold and the proceeds returned to investors, the Funds will be wound-up and closed.

Current Position

Q. Why have you made the decision to close the Funds?

A. As investors will be aware, dealing was suspended in March 2020 due to material uncertainty over the valuation of property in the portfolio brought about by the Covid-19 pandemic. During this period of economic uncertainty, it has become increasingly challenging to generate positive returns whilst also providing the necessary liquidity to re-open the Funds.

On 31 January 2021 the Value Assessment for these Funds determined that a strategic review should be undertaken to ensure investors' long-term interests could continue to be served. This review, combined with forecast redemption levels upon re-opening, led to the conclusion that the Funds' ability to fully benefit from the economies of scale and the diversification of investments that collective investment schemes normally bring would soon be limited. Size is particularly important for funds that invest in property directly because the costs involved in acquiring, managing and disposing of properties are usually much higher than the costs associated with other asset types.

As such we have concluded that it would now be in investors' interests to close the Funds and return cash to investors in a fair and orderly manner.

Q. Why have you made the decision to continue suspension of dealing in the Funds?

A. To ensure the fair treatment of all investors throughout the closure process, it is necessary to continue the suspension of all dealing in the Funds. It means that all investors will share equitably in the proceeds raised by the sale of each property.

As it takes considerable time to sell a property, continuing the suspension of dealing in the Funds enables us to sell properties in an orderly manner. This will help us to maximise the sales values achieved and act in the best interests of all investors.

The closure of the Funds will be managed in the best interests of investors. We will continue to value the Funds on a daily basis and make any income payments due, but all other investor dealing remains suspended.

The continued suspension means that you remain unable to buy, sell, transfer, switch or exchange shares/units in the Funds, other than as set out in this Q&A document.

Q. Who made the decision?

A. The Board of Aviva Investors UK Fund Services Limited, the Authorised Fund Manager of the Funds, has made the decision.

Q. How does this affect my investments in other funds managed by Aviva Investors UK Fund Services Limited?

A. The other funds Aviva Investors UK Fund Services Limited operates are unaffected by this decision, so you are still able to buy and sell shares in them.

Closure Process

Q. How will the closure work?

A. We will begin an orderly sale of all properties owned by the Funds. Whilst being mindful of the need to return the proceeds of your investment as quickly as possible, our priority will be to maximise the value for the benefit of investors. Given the nature of the assets, this may mean that the termination process takes a little longer, but we believe that this priority is the correct one and is in the overall interests of all of the Funds' investors.

Due to the complexities of selling commercial property and the current market situation arising from Covid-19, it is difficult to accurately forecast how long it may take to sell all of the properties. We expect it will take 12-24 months, although it may take longer than this, depending on market conditions.

As these sales complete, cash will be received by the Funds. The Manager intends to make a series of payments to investors throughout the closure process to make sure this cash is distributed to investors as efficiently as possible. The amount of money you receive from the Funds' closure will be dependent on the sale value of the properties.

Once the sale of all properties has been completed, should there be any cash remaining in the Funds after their termination has concluded, you will receive a final payment. However, as it may take time for any outstanding liabilities due from, or owing to, the Funds to be discharged, this final payment may be delayed beyond the date by which all of the properties in the portfolio have been disposed.

Q. When should I expect the first payment from the Funds?

A. We expect to make an initial payment to investors in late July 2021, comprising the available cash held by the Funds, less an amount held back to cover anticipated future costs and expenses the Funds will need to pay. This payment will be approximately 40% of the total net asset value of the Funds, as at the date of the closure.

Q. When will subsequent payments be made to investors?

A. At this point it is not possible to confirm when the second and subsequent payments will be made from the Funds. Much depends on the UK property market, and our ability to sell the properties at a value which we believe is acceptable.

Following the sale of each property, the Manager will consider the amount of cash held by the Funds and decide whether a further payment should be made to investors.

We will keep you informed of our progress throughout the closure – see “Keeping you informed” below.

Q. What are my choices?

A. You may choose to switch your investment into another Aviva Investors fund, or to receive the proceeds, by completing the enclosed pink instruction form and returning it to us in the enclosed pre-paid envelope by 12 noon on 19 July 2021. In either case, this will be completed in phases as and when the Funds distribute the cash they have available, as part of the Funds’ closure process.

You may provide alternative instructions at any point in the closure process as set out below in the question “Will I be able to change my mind?”, otherwise the original instructions you provide will apply to all payments made by the Funds as part of their closure.

If we do not receive a completed pink instruction form from you by 12 noon on 19 July 2021, then we will pay the proceeds to you in phases (unless you have invested in the Funds in an Aviva Investors ISA – for further details in that regard, please see the separate Q&A document that we have prepared specifically for ISA investors).

Q. Will I be able to change my mind?

A. Should you wish to amend your instruction at any time during the closure process, please contact us on 0800 051 2003* (internationally on +44 1268 44 8219*) and we will send you a new instruction form.

We need to receive any change of instruction from you at least 7 business days before we can apply the change. Any change of instructions will apply to future proceeds only, and will not affect any switches or payments that have already been made in line with your previous instructions.

Q. What if I choose to switch my investment?

A. If you choose to switch the proceeds of your investment into another Aviva Investors fund, you will need to confirm that you have read the most recent Key Investor Information Document for your chosen fund(s).

The Key Investor Information Documents can be found at www.avivainvestors.com/en-gb/capabilities/fund-centre/ by calling us on 0800 051 2003* (internationally on +44 1268 44 8219*) or writing to us at the address on the last page of this document.

If you wish to switch into another of our funds, no initial charge is payable (other than for the Aviva Investors US Equity Income Fund, a sub-fund of Aviva Investors Select Funds ICVC, where an initial charge of 5% would be applied). A switch may give rise to a capital gains tax charge.

Each time the Funds distribute some of the available cash to investors, the payment will be used to purchase shares in the new Aviva Investors fund you have selected to switch into. Shares in the new fund will be purchased at the share price on the date of each switch, and you will receive a contract note following each transaction.

The value of your investment and any income from it can fall as well as rise and is not guaranteed. Further details of the fund risks can be found in the Key Investor Information Documents. We recommend that you speak to your financial adviser before making any investment decisions. You should not interpret anything in this document or accompanying letter as financial advice. If you do not have a financial adviser then you can obtain details of independent financial advisers in your area by visiting www.unbiased.co.uk.

A list of our funds that you may wish to switch into is provided in the enclosed pink instruction form.

Please note the minimum investment level for any fund(s) that you switch your investment into will be waived for the purposes of the closure of the Funds only. Once your investment in the Funds has been switched in full, any future investment will need to meet the minimum investment level such that if your total investment in your chosen fund(s) then remains below the required minimum amount you may be asked to top up your investment in the future.

Q. What if I choose to receive the proceeds from my investment in the Funds?

A. We will make a series of payments to you, subject to any identity verification requirements being satisfied. If you would like us to pay the proceeds of your investment to your bank or building society account directly, please ensure that you complete the enclosed pink instruction form, and return them both to us by 19 July 2021.

The proceeds of your investment will be paid to your bank each time the Funds distribute the available cash to investors. You will receive a contract note following each payment.

Please note this may give rise to a charge to capital gains tax.

We recommend that you speak to your financial adviser before making any investment decisions. You should not interpret anything in this document or accompanying letter as financial advice. If you do not have a financial adviser then you can obtain details of independent financial advisers in your area by visiting www.unbiased.co.uk.

Q. What happens if I do not provide any instruction?

A. If we do not receive your completed pink instruction form by 19 July 2021, the proceeds of your investment will be paid to you as part of the fund closure process and the proceeds will be paid to you.

Valuation and Pricing

Q. Will the Funds continue to be valued during the period of suspension?

A. Yes, we will continue to value the Funds and publish the Funds' share price on a daily basis on our website <https://www.avivainvestors.com/en-gb/capabilities/fund-centre/>

Q. What share price will I switch or sell my shares/units in the Funds at?

A. The switch or sale of your shares/units will happen in a number of phases as described above. All transactions will use the share price at the valuation point on the date the transaction takes place. As each sale/switch will take place at a different valuation point, it is likely that each switch/sale will use a different share price. We will send you a contract note each time we switch or sell some of your shares which will tell you the share price that was used.

Q. Are there any tax consequences?

A. Both receiving the proceeds from your investment in the Funds, or using the proceeds to purchase shares in an alternative Fund will be deemed a disposal for capital gains tax purposes and may give rise to a capital gains tax liability. This will depend on your individual circumstances. If you are in any doubt as to the tax consequences of your actions you should contact your financial adviser. If you do not have a financial adviser then you can obtain details of independent financial advisers in your area by visiting www.unbiased.co.uk.

Q. What are the changes to the Fund Management Fees?

A. We will aim to return or switch your investment as quickly as possible once properties are sold, however, the Funds may hold some cash above the amount required for running costs for short periods of time. Ordinarily, a fund would be expected to retain some cash to enable it to be actively managed. This might be to provide a liquidity buffer, or in anticipation of an imminent investment opportunity for example.

As the Funds are now being closed, cash is no longer required for these fund management purposes, and so we have decided not to charge the Fund Management Fee on any cash held in the Funds. We have made this change to the charges effective from 4 May 2021.

As properties will continue to be actively managed throughout the closure, the Fund Management Fee will continue to be charged on this portion of the Funds.

Q. Will there be any costs to close the Funds?

A. The cost of selling the properties will be borne by the Funds, as they ordinarily would be. The regular day to day running costs will also continue to be charged to the Funds in the normal manner. This is explained in the Funds' prospectus.

Any other costs specifically associated with the closure of the Funds, such as printing, mailing and third-party project costs will be paid by Aviva Investors UK Fund Services Limited, the Authorised Fund Manager of the Funds.

Income payments

Q. Will any income from the Funds be paid to investors during the closure?

A. As the Funds will remain suspended, any future income payments from the Funds will be paid to you. It is no longer possible to reinvest any income payments to buy additional shares or units, because all dealing in the Funds is suspended.

Q. Will the level of income payment be affected?

A. The amount of income paid from the Funds depends on the rental income received from tenants who occupy the properties owned by the Funds. Our communication to you in November 2020 explained some of the challenges we have experienced in collecting rent as a consequence of the market conditions created by the Covid-19 Pandemic. It is likely that these challenges will continue over the coming months, and we expect income payments from the Funds will remain reduced compared with previous periods as a result. This is not a consequence of the decision to close the Funds.

As we complete property sales from the Funds, rental income will reduce accordingly, and therefore income distribution will also reduce over time.

Q. What happens if an investor has previously chosen to reinvest income to buy additional shares or units in the Funds?

A. As all dealing in the Funds is permanently suspended it is not possible to reinvest income payments to purchase further shares/units. Any income available to distribute from the Funds will be paid to all investors by cheque or direct debit on the usual income payment dates.

If you currently receive these payments by cheque, you can provide you bank or building society account details to have future payments credited directly to your bank. Please complete the enclosed pink instruction form and return it, in the enclosed reply-paid envelope.

If you invest in the Fund through a fund supermarket or platform, please contact them directly for advice.

The treatment of income in respect of accumulation shares will not be affected by the suspension and closure.

Regular payments

Q. Does the suspension of dealing impact investors that make regular payments into the Funds?

A. We have not collected any direct debit payments from investors to purchase additional shares/units in these Funds since the suspension of dealing was first implemented, in March 2020. All dealing in the Funds remains suspended whilst it is closed, and it will not be possible to purchase any further shares in the Funds in the future, by direct debit or otherwise.

Please call us on 0800 051 2003* (internationally on +44 1268 44 8219*) if you would like to start contributing to a new Aviva Investors fund(s) by Direct Debit.

Any regular payments to invest in other Aviva Investors funds will continue as normal.

If investments have been made through a fund supermarket or platform, please contact the provider who will be able to explain their individual regular payment process.

Keeping you informed

Q. I want to speak to an investment expert. Who can I speak to?

A. If you would like advice on your options then you should speak to your financial adviser. If you do not have a financial adviser then you can obtain details of independent financial advisers in your area by visiting www.unbiased.co.uk.

Q. How will you inform investors and advisers about the sale of properties held by the Fund and the return of proceeds to investors?

A. We have today written to all investors on the Funds' register and their advisers. We have also shared this communication with fund supermarkets and similar platforms so they can inform customers who invest in the Funds with them.

We will write to all investors again when we are able to make the next payment from the Fund. We will also continue to keep you informed about progress made with the sale of properties and subsequent closure of the Funds. We will do this by including updates in our bi-annual statements and the Funds' Report and Accounts.

If you have any other questions or would like to speak to us about your investment please phone us on 0800 051 2003* (internationally on +44 1268 44 8219*).

Q. How does this decision relate to the recent published Value Assessment?

A. The latest annual Value Assessment published for the Funds on 31st January 2021 indicated that the Funds had performed below the range of expected outcomes and, as such, a strategic review of the Funds would be conducted. The decision to close the Funds is also the outcome from this strategic review.

Q. Our commitment to real estate

A. Aviva Investors remain fully committed to UK real estate. In line with Aviva plc's strategy to focus the overall business portfolio, Real Estate is a core capability within Real Assets which is a key component of the overall business growth strategy for Aviva Investors. The decision to close these funds is consistent with the simplification strategy, and the business' focus on innovative scalable solutions which we believe will best serve our clients' needs, incorporating ESG as standard, and ensuring client interests remain at the heart of all that we do.