

# AVIVA INVESTORS PROPERTY FUNDS ICVC

## Annual Report and Financial Statements

For the year ended 30 September 2021



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\* These items comprise the Authorised Corporate Director's Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ("the Regulations").

## COMPANY INFORMATION

### AUTHORISED CORPORATE DIRECTOR

Aviva Investors UK Fund Services Limited  
St Helen's  
1 Undershaft  
London, EC3P 3DQ

Aviva Investors UK Fund Services Limited (the ACD) is a wholly owned subsidiary of Aviva Investors Holdings Limited, a company incorporated in the United Kingdom and within the Aviva Group of Companies. The ACD is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority.

The Manager is authorised as an Alternative Investment Fund Manager ("AIFM") under the Alternative Investment Fund Managers Directive ("AIFMD").

### DIRECTORS

I Buckle  
S Ebenston (resigned 31 March 2021)  
M Craston  
M White  
A Coates  
K McClellan  
M Versey (resigned 30 April 2021)  
D Macmillan (appointed 17 November 2020)  
B Fowler (appointed 6 September 2021)  
S Winstanley (appointed 20 October 2021)

### REGISTRAR AND ADMINISTRATOR

SC&C Financial Services Europe Ltd  
SC&C House  
St Nicholas Lane  
Basildon  
Essex, SS15 5FS

### FUND ACCOUNTING AND PRICING AGENT

J.P. Morgan Chase Bank, National Association (London Branch)  
25 Bank Street  
Canary Wharf  
London, E14 5JP

### INVESTMENT MANAGER

Aviva Investors Global Services Limited  
St Helen's  
1 Undershaft  
London, EC3P 3DQ

Aviva Investors Global Services Limited is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority. The ultimate parent company of Aviva Investors Global Services Limited is Aviva Plc.

### TRUSTEE AND DEPOSITARY

J.P. Morgan Europe Limited  
25 Bank Street  
Canary Wharf  
London, E14 5JP

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

### INDEPENDENT PROPERTY VALUERS (FOR THE AVIVA INVESTORS EUROPEAN PROPERTY FUND ONLY)

CBRE Limited  
St Martin's Court  
10 Paternoster Row  
London, EC4M 7HP

The final property was sold during the year so there is no valuation at the year end.

### INDEPENDENT PROPERTY VALUERS (FOR THE AVIVA INVESTORS UK PROPERTY FUND ONLY)

Knight Frank LLP  
55 Baker Street  
London  
W1U 8AN

## REPORT OF THE AUTHORISED CORPORATE DIRECTOR

### THE COMPANY

Aviva Investors Property Funds ICVC (“the Company”) is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales since 2 May 2008. The property of the Company is entrusted to J.P. Morgan Europe Limited (“the Depositary”). The shareholders are not liable for any debts of the Company.

The objective of the Company is to invest the scheme property in transferable securities, money market instruments, units in collective investment schemes, deposits, cash, near cash, derivative instruments and forward transactions, immovables (directly or indirectly) and gold with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of that property.

The Company has an umbrella structure which means that it may contain more than one Fund, each with a different investment objective. There are currently two Funds in the Aviva Investors Property Funds ICVC; the Aviva Investors European Property Fund and the Aviva Investors UK Property Fund. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives.

### AUTHORISED STATUS

From 2 May 2008 the Company was authorised as an Open-Ended Investment Company under Regulation 12 of the Open-Ended Investment Companies Regulations 2001.

The Company is authorised to operate as a “Non-UCITS Retail Scheme” for the purposes of the COLL Sourcebook and as an Alternative Investment Fund (AIF) for the purposes of the FUND Sourcebook. These sourcebooks form part of the regulatory handbook issued by the Financial Conduct Authority (FCA).

### THE FINANCIAL STATEMENTS

We are pleased to present the annual report and financial statements of the Company for the year ended 30 September 2021. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the year. We hope that you find our review useful and informative.

### ANNUAL GENERAL MEETINGS

The Company will not be holding any Annual General Meetings.

### CLOSURE OF THE AVIVA INVESTORS UK PROPERTY FUND, THE AVIVA INVESTORS UK PROPERTY FEEDER INCOME FUND AND THE AVIVA INVESTORS UK PROPERTY FEEDER ACCUMULATION FUND (THE “FUNDS”)

Aviva Investors UK Fund Services Limited took the decision to suspend all dealing in the Aviva Investors UK Property Fund, the Aviva Investors UK Property Feeder Income Fund and the Aviva Investors UK Property Feeder Accumulation Fund with effect from 12 noon on 18 March 2020. This was due to the Standing Independent Valuer advising us of “material valuation uncertainty” for all direct property assets within the portfolio and the associated risk that investors could have bought and sold shares/units at a price which did not fairly reflect the value of those shares/units had dealing been allowed to continue.

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, concluded 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.

As such Aviva Investors UK Fund Services Limited concluded that it would now be in investors’ interests to wind-up the Funds and return cash to investors in a fair and orderly manner.

On 19 July 2021 the FCA accepted Aviva Investors application to terminate the Fund. The Fund will continue to be suspended until final termination.

For further information, please visit our dedicated website at <https://www.avivainvestors.com/en-gb/paif/>

### CLOSURE OF THE AVIVA INVESTORS EUROPEAN PROPERTY FUND

The Fund closed on 21 August 2015, and will be terminated in due course. The remaining property has been sold and the remaining holding structures are being prepared for liquidation.

Proceeds from the resulting liquidations will be passed through the Fund’s structure to the Fund and will be distributed to Investors in due course.

As a result of both Funds closing, the financial statements have been prepared on a basis other than going concern.

### SIGNIFICANT INFORMATION

#### Changes to the Prospectus

On 1 April 2021, the Prospectus of the AI Property Funds ICVC was updated to reflect changes required as a result of the UK leaving the EU.

On 4 May 2021, the Prospectus of the AI Property Funds ICVC was updated in order to remove fees on the cash which the Aviva Investors UK Property Fund holds.

#### Changes to the Instrument of Incorporation

On 21 July 2021, the instrument of incorporation of the AI Property Funds ICVC was updated to reflect changes required as a result of the UK leaving the EU.

## REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

### SIGNIFICANT INFORMATION (CONTINUED)

#### RESPONSIBLE INVESTMENT POLICY

With effect from 30 April 2020, Aviva Investors UK Fund Services Limited ("ACD") updated the Responsible Investment Policy ("Policy") to prohibit funds from investing in companies which derive prescribed levels of revenue from Controversial Weapons and Civilian Firearms ("Excluded Companies").

#### Further details on the Policy

We have defined Controversial Weapons as weapons that have been subject to widespread ban or restriction by International Treaties and Conventions, on the basis they have one or more of the following characteristics:

- The weapon is indiscriminate, i.e. there is an increased risk of civilian casualties.
- The weapon can be classified as a weapon of mass destruction with a single incident resulting in a large number of deaths.
- The weapon is considered to be excessively injurious, i.e. it causes an inordinate amount of pain and suffering.
- The weapon may have long term health impacts on the populations in areas where they are used.

We have defined Civilian Firearms as firearms and small arms ammunitions designed for civilian use, excluding products exclusively sold for the military, government, and law enforcement markets.

Aviva Investors UK Fund Services Limited has prohibited direct investment by the Funds into any Excluded Companies. The Funds are also prohibited from having indirect exposure to Excluded Companies except where:

- The Fund has indirect exposure to a financial index and Excluded Companies are constituents of the financial index and,
- The Fund invests in other funds managed by third parties. While, consideration of environmental, social, and governance factors are an integral part of the Fund selection process, the underlying funds may not operate exclusions equivalent to the Policy.

The Policy has been updated to reflect these prohibitions and was available from 30 April 2020 on the Aviva Investors website.

#### Impact on our funds

The Policy applies to all our funds, however, the Aviva Investors UK Property Feeder Inc Fund and the Aviva Investors UK Property Feeder Acc Fund purely invest into the Aviva Investors UK Property Fund (which is within the scope of the Policy) and cash, and therefore will not have any exposure to Excluded Companies.

From 30 April 2020 all fund Prospectuses have been updated to reflect the amended Policy.

#### FATCA AND CRS REPORTING

Tax regulations require us to collect information about your tax residency and you will have therefore provided this at the time of making your investment with us. The term tax regulations refers to the International Tax Compliance Regulations 2015 which implements the Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information. As a result, in certain circumstances we will be obliged to share information about your account(s) with Her Majesty's Revenue & Customs (HMRC) who may in turn share this information with any or all jurisdictions that have agreed to exchange information under FATCA and CRS. The information previously provided by you at the time of making your investment will be used by us to report to HMRC regarding your account(s), where so required. This does not apply where you have invested with us solely via an ISA.

## STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 30 September 2021.

## POLICIES AND RISKS

### ACCOUNTING POLICIES

#### a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Management Association in May 2014 (SORP 2014), and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Authorised Corporate Director intends to terminate the Company and its sub-funds at the earliest opportunity and therefore the financial statements have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities continue to be stated at their fair values which materially equate to their realisable values.

Winding up provisions for the Aviva Investors European Property Fund have been recognised at the Balance Sheet date representing an estimate of the costs that are expected to be incurred in liquidating and subsequently terminating the sub-fund and its related subsidiary undertakings. Wind up costs for the Aviva Investors UK Property Fund will be borne by the ACD. Investment assets for both funds have been reclassified from Fixed Assets to Current Assets.

#### b Consolidation

Consolidated Financial Statements have been prepared in accordance with FRS 102 'Accounting for Subsidiary Undertakings'. The Consolidated Statement of Total Return, Consolidated Statement of Change in Net Assets Attributable to Shareholders, Consolidated Balance Sheet and Consolidated Cash Flow Statement include the financial statements of each Fund and its subsidiary undertakings, where applicable. Intra-group transactions are eliminated fully on consolidation.

#### c Share classes

The Funds have three types of share classes; retail shares (classes A, R, 1 and 6), institutional shares (classes I, 2, 5 and 7) and share class D (only available for investment by Feeder Funds). Each class bears different charges and consequently the level of income allocated to each share class will differ. Share classes R, 5 and 7 consist of income shares. Share classes A, D, I, 1, 2 and 6 consist of both income and accumulation shares. Some shares classes are priced in currencies other than Sterling.

#### d Recognition of revenue

Interest arising on fixed interest stocks is accounted for on an effective yield basis. Any effective yield arising on intra-group balances is eliminated on consolidation, where applicable. Rental revenue, deposit interest, and other revenue are all accounted for on the accruals basis. Dividends are accounted for when the investment is quoted ex-dividend. Ordinary scrip dividends are treated as revenue and are included in the distribution.

Lease incentives are treated as a reduction to rent and recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished. Where lease incentives were recognised initially under a previous SORP, any residual benefit or cost associated with those lease incentives may continue to be amortised on a straight-line basis over the period of the lease or, if shorter, up to the first rent review date.

Service charge revenue and expenses are included in rental revenue and other property operating expenses respectively.

Rent concessions granted as a result of COVID-19 should be recognised over the period to which they apply.

Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the prior year figures have been updated to reflect the current accounting policy.

#### e Basis of valuation of investments

Direct properties are independently valued on an open market value in accordance with Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Standards (The Red Book) as advised by the Independent Valuer in accordance with the Prospectus. Where the ACD, the Depositary or Independent Valuer have reasonable grounds to believe that the most recent valuation of a property does not reflect the current value, the property will be valued at a value that is fair and reasonable. The valuation is also in accordance with FRS102.

Property investments for the UK Property Fund were last valued by Michael Crowe MRICS, Partner of Knight Frank LLP on 30 September 2021.

The investment value is a product of rent and yield derived using comparison techniques. In undertaking the valuation of properties under this method, an assessment has been made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transaction, together with evidence of demand within the vicinity of subject property.

Collective Investment Schemes ("CIS") are valued at market value, which is determined using cancellation prices for dual priced funds and single prices for CIS that are not dual priced.

Property related securities have been valued at fair value, which are the bid market prices at close of business on the last day of the accounting year. Any unquoted or suspended securities have been valued at a price which, in the opinion of the ACD, represents the likely realisable value of the security.

#### f Expenses

All expenses, except those relating to the purchase and sale of investments and transaction charges, are charged to revenue of the respective Funds, on an accruals basis.

Service charge revenue and service charge expenditure, attributable to tenants, are accounted for on an accruals basis and in the accounting period in which the services are rendered. When the Fund is acting as principal, service charge revenue and expenditure are separately disclosed under revenue and expenses in the statement of total return.

#### g Property purchases and sales

Property purchases and sales are recognised on completion of the purchase or sale. Any adjustments to sales are recognised on or following completion of the sale.

#### h Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at midday on the last business day of the accounting year. Revenue and expenditure items are translated at the rate ruling at the date of the transaction.

## POLICIES AND RISKS (CONTINUED)

### ACCOUNTING POLICIES (CONTINUED)

#### i Taxation and deferred taxation

Any provision for Corporation Tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences expected to be realised by the Company, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

The UK Property Fund qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Any dividend income it receives from UK companies, including non-PID income from qualifying REITs, will also be exempt from tax.

#### j Cash flow statement

In accordance with the requirements of FRS 102 and the IMA SORP 2014, a cash flow statement has been provided for each of the Funds.

#### k Cash and cash equivalents

Cash equivalents are highly liquid investments held in the base currency of the Fund, which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### l Provision for bad debts

The Funds will provide for the potential non-recovery of revenue receivable from tenants in relation to direct property holdings by way of a bad debts provision. Provisions are made for tenant arrears based on recommendations made by the Managing Agents for specific tenant circumstances, such as where tenants are facing financial difficulties and there is a risk that the debt will not be recovered. Arrears are written off at the discretion of the Manager. There has been no change to provision for bad debts due to COVID-19, as provisions are still decided on a case by case basis.

#### m Finance leased assets

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payment.

The capital element of lease obligations is recorded as a finance lease payable liability in the balance sheet on inception. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method.

#### n Estimates and judgements

The financial statements require judgements, estimates, and assumptions that affect the accounting policies and reported values of assets, liabilities, revenue and expenses. These by definition do not always equal the actual values, and therefore in some cases result in material adjustments in the following financial year.

The fair value of investment properties, provision for bad debts and the calculation of finance lease balances are examples where, due to their complexity, such judgements, assumptions and estimates have been utilised. Details of the key considerations involved are included within the accounting policies above.

The impact of COVID-19 has given rise to an increase in rental debtors due from tenants as a result of delays in receiving payment.

Provisioning for impairment of rental debtors is considered to be an area of significant estimation at the balance sheet date and, as a result we include the sensitivity table below to illustrate the impact of changes in recoverability rates.

Sector	Provision amount at YE (£000)	Impact on Provision ±10% recoverability rate (£000)	Impact on Provision ±50% recoverability rate (£000)
Restaurant/F&B	3,807	381	1,903
Retail (non food)	1,309	131	654
Other	1,049	105	525
Leisure	912	91	456
Office	557	56	280
Serviced Offices	481	48	240
Hotel	335	34	168
Student Accommodation	323	32	161
<b>Total</b>	<b>8,773</b>	<b>877</b>	<b>4,386</b>

### DISTRIBUTION POLICIES

#### a Distribution policy

Where appropriate any surplus net revenue after taxation arising from the financial statements of each Fund will be paid as a revenue distribution or accumulation to capital.

The UK Property Fund will distribute any surplus net revenue after taxation to shareholders in three streams (dividend, interest and property). Income is distributed, at share class level, to the shareholders in accordance with the Fund's Prospectus.

The European Property Fund is closed and in the process of being terminated.

Full details of the distributions are set out in the distribution tables.

#### b Treatment of management expenses

All expenses, with the exception of fund set-up costs, the purchase and sale of investments and stamp duty reserve tax, are charged against revenue. Where management expenses are borne by capital they are not deducted in determining the distribution. As the Funds are being closed, the estimated costs of selling the properties and the estimated costs for closing the Funds has been charged to capital and are included in Other creditors.

#### c Treatment of development and acquisition expenses

In accordance with Generally Accepted Accounting Practice in the UK, development and acquisition expenses have been treated as costs of purchasing property investments and are accordingly treated as capital.

## POLICIES AND RISKS (CONTINUED)

### RISK MANAGEMENT POLICIES

The Company's financial instruments comprise investment properties, securities, bank balances, deposits and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations, and debtors for accrued revenue.

The Company's use of financial instruments satisfies these requirements and no trading in financial instruments is undertaken.

The Company has exposure to a number of different risks to varying degrees. The main risks it faces from its financial instruments and the Investment Manager's policies for managing these risks are summarised below:

#### a Foreign currency risk

The Funds can be exposed to foreign currency risk as a result of investing in assets denominated in currencies other than Sterling. Where the Investment Manager deems it necessary, this exposure to foreign currency fluctuations is mitigated by the use of forward foreign currency contracts. Numerical disclosures can be found in the notes to the financial statements for each Fund.

#### b Interest rate risk

The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Investment Manager manages this risk by maintaining a balanced portfolio with due consideration to interest rate risk and redemption profiles. Interest rate risk is also managed by ensuring that deposits mature within a relatively short period.

Numerical disclosures can be found in the notes to the financial statements for each Fund.

#### c Market risk

There is a risk that a property might be sold for a different value to the Independent Valuer's valuation, due to market conditions, economic risks and environmental risks being different to the valuer's assumptions. There is also a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value, other investment opportunities or due to lack of liquidity in the relevant market.

The ACD ensures that the valuer is independent, holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Further information on the investment portfolios is set out in the investment reports and portfolio statements, of the individual Funds.

UK Real Estate is yet to see the full impact of COVID-19 in term of Investment and occupier activity. The external valuation adviser had applied a material uncertainty clause to the 30 September 2020 valuation because they could not make reliable judgements on the values during the previous year. This clause is no longer included in the 30 September 2021 valuation.

	Value as at 30 September 2021	Unobservable input	Change in fair value	
			Yield increase by 25bps	Yield increase by 50bps
Investment property	£138,075,000	5.64%	£131,144,258	£125,804,508

These amounts are not an estimate or a forecast of the impact of COVID-19 on the UK property funds property value. The analysis is designed solely to provide an indication of the impact of certain changes to the UK property funds property value.

#### d Credit risk

The Funds are exposed to property credit risk that may arise from tenant default in the company's property through inability to meet rental payments. In the event of default by a tenant, there will be a rental shortfall which could result in additional costs including legal expenses, insuring and costs incurred with re-letting the property.

#### e Liquidity risk

This is the risk that there is insufficient liquidity which restricts a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed with the use of cash and cash equivalents and by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited. In line with standard industry practice for valuing property funds, the Funds can switch between a bid price basis and an offer price basis.

Property investments are relatively illiquid compared to bonds and equities. Where Funds are invested in property, investors may not be able to switch or cash in their investment when they want because property in the Fund may not always be readily saleable.

If this is the case the Manager may suspend dealing in the Fund.

Both the Aviva Investors UK Property Fund and the Aviva Investors European Property Fund are currently suspended and will remain suspended until each Fund has been terminated and all investors paid back in full.

#### f Concentration risk

Concentration risk is the risk of a portfolio being too concentrated in particular positions or too exposed to certain factors. Highly concentrated positions can exacerbate market and liquidity risk. The Company's assets are invested mainly in direct properties. As such each Fund is exposed to concentration risk through its investment strategy. To manage this risk, each Fund's direct portfolio is diversified geographically and/or by sector (such as commercial versus non-commercial).

#### g Leverage risk

In accordance with the Alternative Investment Funds Management Directive (AIFMD) the Alternative Investment Fund Manager (AIFM) is required to disclose the leverage of the Alternative Investment Fund (AIF). Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives. The Funds were not leveraged during the year.

#### h Property default risk

Tenants in the Company's properties may become unable to pay rent. As a result, the Fund's income may be impacted and further costs incurred.

Adherence to regulatory and fund investment guidance and to investments and borrowing powers mitigates the risk of exposure to any type of security or issuer.

#### i Counterparty Risk

There is a risk that the Counterparty will not be able to settle its obligations under the agreement. This is mitigated by an assessment of the credit worthiness of the Counterparty, and the use of multiple counterparties to ensure that no more than 20% of the Fund value is exposed to one counterparty.

Further information on the investment portfolio is set out in the investment reports and portfolio statements.

## POLICIES AND RISKS (CONTINUED)

### RISK MANAGEMENT POLICIES (CONTINUED)

#### COVID-19 RISK

The key risks set out above have been magnified by the current COVID-19 pandemic. Although the risk management policies do not refer to specific external risks, the manager has expended on the below risks as a result of the pandemic.

#### I Property Valuation

The valuation report as at 30 September 2021 is considered free from material uncertainty. However the Fund will remain suspended until it has been terminated and all investors paid back in full.

Rectification work is currently being undertaken on the Central Studios, Reading property cladding. Although the full costs of the rectification work is to be borne by the contractor, the property valuers have included a provision for half of the costs within the capital valuation should the contractor default from their obligation.

#### II Provision for bad debts

There has been no change to the accounting policy for bad debts due to COVID-19, as provisions are still decided on a case by case basis, the sector will also be considered in the decision. However, the manager acknowledges that there is an increased risk of bad debt due to the pandemic.

Rent free concessions have been offered due to COVID-19. These are considered on a case to case basis by the manager.

#### III Liquidity

The pandemic is also materially impacting the property market in terms on prospective buyers being unable to complete on site due diligence of potential purchases.

## AVIVA INVESTORS EUROPEAN PROPERTY FUND

The Fund closed on 21 August 2015, and will be terminated in due course. The remaining property has been sold and the remaining holding structures are being prepared for liquidation. Proceeds from the resulting liquidations will be passed through the Fund's structure to the Fund and will be distributed to Investors in due course.

The below Investment Objective and Investment Approach sections set out the Fund objectives and approach prior to the Fund's closure on 21 August 2015.

### INVESTMENT OBJECTIVE

To seek income and long term capital appreciation through real estate investment in the European Economic Area (excluding the UK) and Switzerland.

### INVESTMENT APPROACH

To invest in commercial immovable real estate, together with real estate related listed securities, whose investments and activities are principally based within the European Economic Area (excluding the UK) and Switzerland. The Fund may also invest in units in regulated and unregulated collective investment schemes, money market instruments, deposits, cash and near cash and derivatives. Derivatives may be used for the purposes of Efficient Portfolio Management.

The Fund may hold its immovable property through intermediate holding vehicles. In such instances, the Fund's direct holdings will generally be debentures, or other permitted debt and debt instruments and securities of subsidiary entities of the Company, the ACD or their respective Associates. These subsidiaries may in turn invest in immovable property via intermediate holding vehicles appropriate for the jurisdiction in which the immovable property is located.

## FUND MANAGER'S REPORT

### Fund Profile and Portfolio Review

Total assets under management as at 30 September 2021 were £14m.

The Fund was placed into termination on 21 January 2016, following consultation and FCA approval.

As at 30 September 2021, all twelve of the Fund's holdings have been disposed of, we are happy to report that the final asset in Katowice, Poland, has been successfully sold. As of this date, we have also returned 98.2% of the Fund's GBP value at suspension.

As described in previous updates, the Fund has a complex structure and the proceeds of the property sales must pass through the underlying holding company structures before we can return them to you. Whilst we are making good progress on the wind up of the underlying legal structures, with only three of the ten holding structures remaining, their resolution is dependent on the underlying structures' tax clearance and closure of their final accounts, which in turn are subject to the entities' local rules, timing and regulations. As we progress through closing the structures, we continue to be mindful of the need to return the proceeds of your investment to you (or switch them, as per your instruction) as quickly as possible. We expect to be able to make a further payment to you in the first quarter of 2022, which will be paid out to you, or switched to another Aviva Investors fund nominated by you, in line with the instructions that you have provided. The timing of the further payment is however dependent on the progression of the underlying structures' wind up as noted above.

Due to the complex nature and numerous regions of the underlying structures, we are not yet in a position where we can provide a date for the final closure of the Fund.

We will continue to keep you updated on the progress made via your six-monthly statement and other correspondence.

Unless stated otherwise any opinions expressed are those of Aviva Investors Global Services Limited. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature. Past performance is not a guide to the future. The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested.

### CONSOLIDATED MATERIAL PORTFOLIO CHANGES

There were no purchases of property during the year.

The following sales were made during the year.

#### Sales

Poland Rockwell Automation, ul. Rożdzieńska 49, Katowice, Poland

### FUND MATERIAL PORTFOLIO CHANGES

There were no loans advanced on the purchase of properties. The following loan repayments were made during the year.

#### Sales

European Property Holdings SARL

Katowice Financing

Katowice Holding ZCP Perpetual

Katowice Equity ZCP Perpetual

## COMPARATIVE TABLES

Class A (GBP) Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.80	87.53	91.59
Return before operating charges <sup>†</sup>	2.26	(0.86)	1.06
Operating charges	(3.98)	(6.87)	(5.12)
Return after operating charges <sup>†</sup>	(1.72)	(7.73)	(4.06)
Distributions	–	–	–
Closing net asset value per share	78.08	79.80	87.53
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(2.16)%	(8.83)%	(4.43)%
<b>Other information</b>			
Closing net asset value (£000)	129	163	271
Closing number of shares	165,081	204,307	310,172
Operating charges (%) <sup>†</sup>	4.57%	8.30%	5.72%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	104.10	89.78	92.39
Lowest share price	74.84	76.97	85.48

Class A (EUR) Income	2021 c per share	2020 c per share	2019 c per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.81	84.37	88.26
Return before operating charges <sup>†</sup>	6.66	(2.99)	1.06
Operating charges	(3.89)	(6.57)	(4.95)
Return after operating charges <sup>†</sup>	2.77	(9.56)	(3.89)
Distributions	–	–	–
Closing net asset value per share	77.58	74.81	84.37
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	3.70%	(11.33)%	(4.41)%
<b>Other information</b>			
Closing net asset value (£000)	4	5	8
Closing number of shares	5,597	6,924	10,589
Operating charges (%) <sup>†</sup>	4.57%	8.30%	5.72%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	96.89	85.32	87.92
Lowest share price	74.93	79.35	83.35

Class R (GBP) Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	79.32	87.01	91.04
Return before operating charges <sup>†</sup>	2.24	(0.86)	1.06
Operating charges	(3.95)	(6.83)	(5.09)
Return after operating charges <sup>†</sup>	(1.71)	(7.69)	(4.03)
Distributions	–	–	–
Closing net asset value per share	77.61	79.32	87.01
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(2.16)%	(8.84)%	(4.43)%
<b>Other information</b>			
Closing net asset value (£000)	776	981	1,634
Closing number of shares	99,439	1,236,934	1,877,889
Operating charges (%) <sup>†</sup>	4.57%	8.30%	5.72%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	103.49	89.25	91.84
Lowest share price	74.40	76.51	84.97

Class I (GBP) Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.13	87.68	91.55
Return before operating charges <sup>†</sup>	2.25	(0.87)	1.03
Operating charges	(3.78)	(6.68)	(4.90)
Return after operating charges <sup>†</sup>	(1.53)	(7.55)	(3.87)
Distributions	–	–	–
Closing net asset value per share	78.60	80.13	87.68
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(1.91)%	(8.61)%	(4.23)%
<b>Other information</b>			
Closing net asset value (£000)	7,821	9,867	16,392
Closing number of shares	9,949,549	12,313,716	18,694,774
Operating charges (%) <sup>†</sup>	4.32%	8.05%	5.47%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	104.60	89.94	92.36
Lowest share price	75.30	77.18	85.55

## COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2021 c per share	2020 c per share	2019 c per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.82	113.68	118.91
Return before operating charges <sup>†</sup>	8.94	(4.02)	1.45
Operating charges	(5.25)	(8.84)	(6.68)
Return after operating charges <sup>†</sup>	3.69	(12.86)	(5.23)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	104.51	100.82	113.68
<sup>†</sup> after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	3.66%	(11.31)%	(4.40)%
<b>Other information</b>			
Closing net asset value (£000)	616	779	1,307
Closing number of shares	684,367	846,707	1,294,839
Operating charges (%) <sup>†</sup>	4.57%	8.30%	5.72%
Direct transaction costs (%) <sup>‡</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	130.54	114.96	118.46
Lowest share price	100.96	106.92	112.30

Class A (USD) Accumulation	2021 c per share	2020 c per share	2019 c per share
<b>Change in net assets per share</b>			
Opening net asset value per share	212.30	223.29	247.67
Return before operating charges <sup>†</sup>	16.46	7.18	(10.84)
Operating charges	(11.28)	(18.17)	(13.54)
Return after operating charges <sup>†</sup>	5.18	(10.99)	(24.38)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	217.48	212.30	223.29
<sup>†</sup> after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	2.44%	(4.92)%	(9.84)%
<b>Other information</b>			
Closing net asset value (£000)	12	15	24
Closing number of shares	7,155	8,844	13,514
Operating charges (%) <sup>†</sup>	4.57%	8.30%	5.72%
Direct transaction costs (%) <sup>‡</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	284.57	227.96	247.30
Lowest share price	216.87	208.14	224.43

Class I (EUR) Accumulation	2021 c per share	2020 c per share	2019 c per share
<b>Change in net assets per share</b>			
Opening net asset value per share	109.43	123.10	128.44
Return before operating charges <sup>†</sup>	9.69	(4.37)	1.56
Operating charges	(5.39)	(9.30)	(6.90)
Return after operating charges <sup>†</sup>	4.30	(13.67)	(5.34)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	113.73	109.43	123.10
<sup>†</sup> after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	3.93%	(11.10)%	(4.16)%
<b>Other information</b>			
Closing net asset value (£000)	4,532	5,718	9,568
Closing number of shares	4,627,686	5,725,460	8,755,680
Operating charges (%) <sup>†</sup>	4.32%	8.05%	5.47%
Direct transaction costs (%) <sup>‡</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	141.77	124.49	127.95
Lowest share price	109.79	115.88	121.53

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The ongoing charge has been annualised for a share class that has not yet been open for a full year.

(c) The return after operating charges is higher than in previous years due to the amounts achieved on the sale of the fund's properties, which in aggregate was in excess of their valuation, which has increased the return.

# The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting year and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the financial statements and may be different due to post year end accounting adjustments.

**Ongoing Charges Figure\***

Share class	OCF*	PER**	OCF*	PER**
	30.09.21	30.09.21	30.09.20	30.09.20
Class A (GBP)	2.14%	2.43%	2.14%	6.16%
Class A (EUR)	2.14%	2.43%	2.14%	6.16%
Class A (USD)	2.14%	2.43%	2.14%	6.16%
Class R (GBP)	2.14%	2.43%	2.14%	6.16%
Class I (GBP)	1.89%	2.43%	1.89%	6.16%
Class I (EUR)	1.89%	2.43%	1.89%	6.16%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

\*\* The Property Expense Ratio (PER) reflects any additional costs associated with the day-to-day operation of the direct property assets and is presented as a percentage of the average net value of the Fund over the year.

## CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2021

Investment	Currency	Market Value £000	% of Net Assets
<b>Direct Properties 0.00% (46.81%)</b>			
Market value up to £2,500,000 0.00% (0.00%)			
Market value between £2,500,000 and £5,000,000 0.00% (0.00%)			
Market value between £5,000,000 and £7,500,000 0.00% (0.00%)			
Market value over £7,500,000 0.00% (46.81%)			
<b>Total Market value</b>		–	–
<b>Total direct properties</b>		–	–
Investment assets		–	–
Net other assets		13,890	100.00
<b>Net assets</b>		<b>13,890</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 September 2020.

## FUND PORTFOLIO STATEMENT

As at 30 September 2021

Investment		Currency	Holding	Market Value £000	% of Net Assets
<b>Germany 5.02% (4.08%)</b>					
Megaron B Equity ZCP Perpetual	§	EUR	211,254	140	1.00
Megaron B Financing Perpetual	§	EUR	38,665	26	0.19
Megaron B Holding	§	EUR	411,143	533	3.83
<b>Germany total</b>				<b>699</b>	<b>5.02</b>
<b>Luxembourg 1.21% (10.25%)</b>					
European Property Holdings SARL	§	EUR	331	168	1.21
<b>Luxembourg total</b>				<b>168</b>	<b>1.21</b>
<b>Poland 72.60% (56.32%)</b>					
Katowice Equity ZCP Perpetual	§	EUR	496,007	403	2.89
Katowice Financing	§	EUR	5,739,564	6,561	47.10
Katowice Holding ZCP Perpetual	§	EUR	2,143,565	3,150	22.61
<b>Poland total</b>				<b>10,114</b>	<b>72.60</b>
Investment assets				10,981	78.83
Net other assets				2,949	21.17
<b>Net assets</b>				<b>13,930</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 September 2020. The Fund has one direct investment in European Property Holdings SARL of £168,000. The entities listed above are those that the European Property Holdings SARL has invested into for the purpose of acquiring direct property investments.

§ All holdings are unquoted securities.

## STATEMENT OF TOTAL RETURN

### For the year ended 30 September 2021

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>Income</b>					
Net capital gains/( losses)	2	1,171	(1,342)	958	(1,722)
Revenue	3	969	1,237	–	6
<b>Expenses</b>					
Expenses	4	(871)	(1,852)	(317)	(396)
<b>Net revenue/(expense) before taxation</b>					
Net revenue/(expense) before taxation		98	(615)	(317)	(390)
Taxation	5	(628)	(155)	–	–
<b>Net expense after taxation</b>					
Net expense after taxation		(530)	(770)	(317)	(390)
<b>Total income/(expense) before distributions</b>					
Total income/(expense) before distributions		641	(2,112)	641	(2,112)
Distributions	6	–	–	–	–
<b>Change in net assets attributable to shareholders from investment activities</b>					
Change in net assets attributable to shareholders from investment activities		641	(2,112)	641	(2,112)

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 30 September 2021

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>Opening net assets attributable to shareholders</b>				
Opening net assets attributable to shareholders	17,528	29,204	17,528	29,204
<b>Movement due to issue and cancellation of shares:</b>				
Amounts receivable on issue of shares				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares				
Amounts payable on cancellation of shares	(4,279)	(9,564)	(4,279)	(9,564)
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>				
Change in net assets attributable to shareholders from investment activities (see above)	641	(2,112)	641	(2,112)
Retained distribution on accumulation shares				
Retained distribution on accumulation shares	–	–	–	–
<b>Closing net assets attributable to shareholders</b>				
Closing net assets attributable to shareholders	13,890	17,528	13,890	17,528

## BALANCE SHEET

### As at 30 September 2021

	Notes	Consolidated		Aviva Investors European Property Fund	
		As at 30.09.21 £000	As at 30.09.20 £000	As at 30.09.21 £000	As at 30.09.20 £000
<b>Current assets:</b>					
Investments available for sale		–	8,205	10,981	12,384
Debtors	8	856	376	–	–
Cash and bank balances	9	16,566	10,330	2,938	5,186
<b>Total assets</b>		<b>17,422</b>	<b>18,911</b>	<b>13,919</b>	<b>17,570</b>
<b>Liabilities:</b>					
<b>Creditors:</b>					
Other creditors	10	(3,532)	(1,383)	(29)	(42)
<b>Total liabilities</b>		<b>(3,532)</b>	<b>(1,383)</b>	<b>(29)</b>	<b>(42)</b>
<b>Net assets attributable to shareholders</b>		<b>13,890</b>	<b>17,528</b>	<b>13,890</b>	<b>17,528</b>

## CASH FLOW STATEMENT

### For the year ended 30 September 2021

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>Net cash inflow/(outflow) from operating activities</b>	13	1,265	485	(304)	(362)
<b>Taxation</b>					
Taxation paid		(50)	(122)	–	–
		(50)	(122)	–	–
<b>Financial investments</b>					
Sales of investments		10,545	–	2,569	5,186
		10,545	–	2,569	5,186
<b>Financing</b>					
Amounts paid on cancellation of shares		(4,279)	(9,564)	(4,279)	(9,564)
Exchange rate movement		(1,245)	22	(234)	(327)
		(5,524)	(9,542)	(4,513)	(9,891)
<b>Increase/(decrease) in cash in the year</b>	12	6,236	(9,179)	(2,248)	(5,067)
<b>Net cash at the start of the year</b>	12	10,330	19,509	5,186	10,253
<b>Net cash at the end of the year</b>	12	16,566	10,330	2,938	5,186

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

Please see pages 6 to 9 for accounting basis and policies.

### 2 Net capital gains/(losses)

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>The net capital gains/(losses) on investments during the year comprise:</b>				
Currency losses on other capital items	(221)	(241)	(220)	(241)
Direct property gains/(losses)	1,383	(1,065)	–	–
Forward securities gains/(losses)	9	(36)	9	(36)
Non-derivative securities gains/(losses)	–	–	1,169	(1,445)
<b>Net capital gains/(losses)*</b>	<b>1,171</b>	<b>(1,342)</b>	<b>958</b>	<b>(1,722)</b>

\* Total realised gains for the year were £1,891,482 (2020: losses £2,764,852) and the movement in unrealised losses was £720,537 (2020: gains £4,106,497). Included in realised gains/(losses) for the year were unrealised (losses)/gains recognised in previous years.

### 3 Revenue

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
Bank and deposit interest	–	6	–	6
Rental revenue	969	1,231	–	–
<b>Total revenue</b>	<b>969</b>	<b>1,237</b>	<b>–</b>	<b>6</b>

### 4 Expenses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>				
Fund Management Fee	306	387	306	387
	306	387	306	387
<b>Payable to the Depository, associates of the Depository and agents of either of them:</b>				
Interest payable	34	78	11	9
	34	78	11	9
<b>Other expenses:</b>				
Administrative expenses	119	553	–	–
Audit fee*	59	84	–	–
Insurance	37	40	–	–
Legal & Professional fees	73	204	–	–
Other fees	89	336	–	–
Property management fees	10	31	–	–
Property taxes	144	139	–	–
	531	1,387	–	–
<b>Total expenses</b>	<b>871</b>	<b>1,852</b>	<b>317</b>	<b>396</b>

\* The audit fee was £51,767 (2020: £78,234) net of VAT.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Taxation****a Analysis of tax charge**

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21	Year ended 30.09.20	Year ended 30.09.21	Year ended 30.09.20
	£000	£000	£000	£000
Overseas tax suffered	628	155	–	–
<b>Total current tax for year (see note 5b)</b>	<b>628</b>	<b>155</b>	<b>–</b>	<b>–</b>

**b Factors affecting current tax charge**

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2020: 20%).

The differences are explained below:

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21	Year ended 30.09.20	Year ended 30.09.21	Year ended 30.09.20
	£000	£000	£000	£000
<b>Net expense before taxation</b>	<b>98</b>	<b>(615)</b>	<b>(317)</b>	<b>(390)</b>
Corporation tax at 20%	20	(123)	(63)	(78)
<b>Effects of:</b>				
Overseas tax irrecoverable	628	155	–	–
Non-trade financial profits	2	–	2	–
Movement in excess expenses	(22)	123	61	78
	608	278	63	78
<b>Total tax for the year (see note 5a)</b>	<b>628</b>	<b>155</b>	<b>–</b>	<b>–</b>

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

**c Deferred tax**

There was no provision for deferred tax at the balance sheet date (2020: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**6 Distributions**

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21 £000	Year ended 30.09.20 £000	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>				
Gross interest distribution for the six months ended 31 March	-	-	-	-
Gross interest distribution for the six months ended 30 September	-	-	-	-
Prior year tax adjustment	-	-	-	-
<b>Distributions</b>	-	-	-	-
<b>Reconciliation of distributions for the year to net revenue after taxation</b>				
<b>Distributions for the year</b>	-	-	-	-
Net expenses payable from capital	(530)	(770)	(317)	(390)
Other expenses borne by the capital account	-	-	-	-
<b>Net expense after taxation</b>	<b>(530)</b>	<b>(770)</b>	<b>(317)</b>	<b>(390)</b>

Details of the distributions per share are set out in the distribution tables on pages 25 and 26.

**7 Fair value hierarchy**

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.21 Assets £000	As at 30.09.20 Assets £000	As at 30.09.21 Assets £000	As at 30.09.20 Assets £000
<b>Valuation technique</b>				
Level 3: Unobservable data	-	-	10,980	12,384
<b>Total value</b>	-	-	<b>10,980</b>	<b>12,384</b>

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective. The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

**8 Debtors**

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.21 £000	As at 30.09.20 £000	As at 30.09.21 £000	As at 30.09.20 £000
Accrued revenue	679	131	-	-
Other debtors	173	6	-	-
Prepaid expenses	4	239	-	-
<b>Total debtors</b>	<b>856</b>	<b>376</b>	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 9 Cash and bank balances

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.21	As at 30.09.20	As at 30.09.21	As at 30.09.20
	£000	£000	£000	£000
Cash and bank balances	16,566	10,330	2,938	5,186

## 10 Other creditors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.21	As at 30.09.20	As at 30.09.21	As at 30.09.20
	£000	£000	£000	£000
Accrued expenses	554	1,073	29	42
Deferred income	–	189	–	–
Income tax payable	589	12	–	–
Other creditors	11	13	–	–
Overseas tax provision	20	29	–	–
Trade creditors	33	37	–	–
VAT payable	2,325	30	–	–
<b>Total other creditors</b>	<b>3,532</b>	<b>1,383</b>	<b>29</b>	<b>42</b>

## 11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2020: £nil).

## 12 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors European Property Fund £000
Cash and cash equivalents:		
As at 30.09.20	10,330	5,186
Cash flows	6,236	(2,248)
As at 30.09.21	16,566	2,938

## 13 Reconciliation of net expense before taxation to net cash inflow/(outflow) from operating activities

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.21	Year ended 30.09.20	Year ended 30.09.21	Year ended 30.09.20
	£000	£000	£000	£000
Net income/(expenses) before taxation	98	(615)	(317)	(390)
(Increase)/decrease in debtors (excluding capital items)	(480)	629	–	–
Increase in creditors (excluding capital items)	1,647	471	13	28
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,265</b>	<b>485</b>	<b>(304)</b>	<b>(362)</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14 Related party transactions

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

Fund Management Fees paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee was £21,823 (2020: £30,845). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2020: £nil). The amount outstanding at the year end was £nil (2020: £nil). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2020: £nil) and £nil (2020: £nil) respectively. The income received during the year amounted to £nil (2020: £nil).

Holdings at the year end and movements during the year are as follows:

	Holdings at 30.09.21 (shares)	Movement (shares)	Holdings at 30.09.20 (shares)
ACD and related parties (share class R (GBP) income)	999,439	(141,429)	1,140,868
ACD and related parties (share class I (GBP) income)	9,949,549	(5,439,149)	15,388,698
ACD and related parties (share class I (EUR) accumulation)	4,627,686	(1,548,715)	6,176,401

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

### 15 Shareholder funds

The Fund currently has three share classes: Classes A and R (Retail) and Class I (Institutional). The Fund Management Fee is as follows:

Class A: 2.14%

Class R: 2.14%

Class I: 1.89%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 11 and 12. The distributions per share class are given in the distribution tables on pages 25 and 26. All the share classes have the same rights on winding up.

### 16 Shares in issue reconciliation

	Number of shares in issue at 30.09.20	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.21
Share class A (GBP) income	204,307	–	(39,226)	–	165,081
Share class A (EUR) income	6,924	–	(1,327)	–	5,597
Share class R (GBP) income	1,236,934	–	(237,495)	–	999,439
Share class I (GBP) income	12,313,716	–	(2,364,167)	–	9,949,549
Share class A (EUR) accumulation	846,707	–	(162,340)	–	684,367
Share class A (USD) accumulation	8,844	–	(1,689)	–	7,155
Share class I (EUR) accumulation	5,725,460	–	(1,097,774)	–	4,627,686

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**17 Derivatives and other financial instruments**

The policies applied in the management of financial instruments are set out on page 7.

**Fair value of financial assets and financial liabilities**

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2020: £nil).

**Foreign currency risk**

At the year end date, 79.58% (2020: 88.94%) of the net assets of the Company were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Company would change by 7.96% (2020: 8.89%).

At the year end date, 79.58% (2020: 88.94%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 7.96% (2020: 8.89%).

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000 30.09.21	Monetary exposure £000 30.09.21	Total £000 30.09.21	Non monetary exposure £000 30.09.21	Monetary exposure £000 30.09.21	Total £000 30.09.21
Euro	–	11,048	11,048	10,981	67	11,048
US Dollar	–	5	5	–	5	5

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000 30.09.20	Monetary exposure £000 30.09.20	Total £000 30.09.20	Non monetary exposure £000 30.09.20	Monetary exposure £000 30.09.20	Total £000 30.09.20
Euro	8,205	7,383	15,588	12,384	3,204	15,588
US Dollar	–	1	1	–	1	1

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**17 Derivatives and other financial instruments (continued)****Interest rate risk**

At the year end date 119.38% (2020: 59.70%) of the net assets of the Company were interest bearing. At the year end date 100.21% (2020: 100.24%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, the interest rate risk is not considered significant.

The interest rate profile of the Fund's financial assets and liabilities at 30 September 2021 was:

Currency	Consolidated				Aviva Investors European Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>								
Sterling	2,866	–	–	2,866	2,866	–	–	2,866
Euro	13,711	–	(2,663)	11,048	4,487	6,561	–	11,048
US Dollar	5	–	–	5	5	–	–	5
<b>Financial Liabilities</b>								
Sterling	–	–	(29)	(29)	–	–	(29)	(29)
<b>Total</b>	<b>16,582</b>	<b>–</b>	<b>(2,692)</b>	<b>13,890</b>	<b>7,358</b>	<b>6,561</b>	<b>(29)</b>	<b>13,890</b>

The interest rate profile of the Fund's financial assets and liabilities at 30 September 2020 was:

Currency	Consolidated				Aviva Investors European Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>								
Sterling	1,981	–	–	1,981	1,981	–	–	1,981
Euro	8,483	–	7,105	15,588	15,588	–	–	15,588
US Dollar	1	–	–	1	1	–	–	1
<b>Financial Liabilities</b>								
Sterling	–	–	(42)	(42)	–	–	(42)	(42)
<b>Total</b>	<b>10,465</b>	<b>–</b>	<b>7,063</b>	<b>17,528</b>	<b>17,570</b>	<b>–</b>	<b>(42)</b>	<b>17,528</b>

The value of the investment property has been included in the above table for completeness, although it does not meet the definition of a financial asset.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR, or its overseas equivalent where applicable.

**Market price risk**

At the year end date, nil% (2020: nil%) of the net assets of the Company were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Company would change by nil% (2020: nil%).

At the year end date, nil% (2020: nil%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by nil% (2020: nil%).

**18 Direct transaction costs**

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 30 September 2021 (2020: £nil). The total purchases for the year amounted to £nil (2020: £nil) and the total sales amounted to £2,572,625 (2020: £5,192,749).

**19 Post balance sheet events**

There are no post balance sheet events which require adjustment or disclosure at the year end (2020: £nil).

## DISTRIBUTION TABLES

## Final distribution payable in pence/cents per share for the six months ended 30 September 2021

Income shares		Net revenue	Equalisation	Final distribution payable 30 November 2021	Final distribution paid 30 November 2020
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 November 2021	Final distribution paid 30 November 2020
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class I (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c

**Final Distribution**

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2021.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2021.

## DISTRIBUTION TABLES (CONTINUED)

## Interim distribution paid in pence/cents per share for the six months ended 31 March 2021

Income shares		Net revenue	Equalisation	Interim distribution paid 31 May 2021	Interim distribution paid 31 May 2020
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 May 2021	Interim distribution paid 31 May 2020
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class I (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c

**Interim Distribution**

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2020.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2020.

**Equalisation**

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

## AVIVA INVESTORS UK PROPERTY FUND

### INVESTMENT OBJECTIVE

The Fund aims to provide a combination of income and growth over the long term (5 years or more), by investing in UK property.

The Fund is structured as a Property Authorised Investment Fund.

The investment objective of the Fund is to carry on Property Investment Business and to manage the cash raised from investors for investment in the Property Investment Business.

The Fund was closed on 19 July 2021 and will be terminated in due course. The remaining properties held within the Fund will be sold and proceeds from the resulting sales will be distributed to Investors in due course. The below Investment Objective and Investment Approach sections set out the Fund objectives and approach prior to the Fund's closure on 19 July 2021.

### INVESTMENT APPROACH

#### Core investment

At least 70% of the Fund will be directly invested in UK property (in normal market conditions), which will mainly consist of commercial properties (such as offices, shops and shopping centres, distribution hubs and warehouses), although other types of property may also be held (such as student accommodation, hotels, residential property). The Fund may also invest indirectly in property through partnerships, companies, property-related shares, or other funds (including funds managed by Aviva Investors companies).

#### Other investments

The Fund may also invest in bonds issued by companies, governments or supranational organisations, cash, and deposits.

Derivatives may be used from time to time, to gain a particular market exposure which would otherwise be difficult or costly to achieve, or to manage the Fund's cash flows in a cost-effective manner. This type of derivative usage is called "efficient portfolio management".

#### Strategy

The Fund is actively managed and the Investment Manager aims to use detailed analysis, expertise and relationships to drive income and growth for investors, rather than relying on property market movements alone. This will include making decisions such as actively managing property transactions, redeveloping properties and the negotiation of leases.

#### Environmental, social and governance ("ESG") factors

ESG factors are integrated into the due diligence performed before purchasing assets for the Fund, and throughout the life of the investment, with the intention of reducing risk, protecting value, and delivering enhanced income and growth. This includes engagement with the occupiers of properties to reduce energy consumption and waste, and to increase community engagement. Identification of ESG risks does not preclude investment in or the continued holding of an asset, as our ability to mitigate risks through active management of assets is also taken into account, and the Investment Manager retains discretion over the investments that are selected. Aviva Investors' investment policy includes limited ESG restrictions, and further information on how we integrate Responsible Investment and these restrictions into our investment approach, and how we engage with companies is available on our website and in the Prospectus.

### Performance & Risk Measurement

The Fund's performance is compared against the Investment Association UK Direct Property Sector (the "Sector"). The Sector is an industry benchmark made up of funds which meet the Sector criteria, which includes investing at least 70% of their assets directly in UK property on average over 5 year rolling periods.

The Sector has been selected as a benchmark for performance measurement because the Fund will be managed in line with the criteria of the Sector, and it is an independent measure of the performance of investment funds which are comparable to those of the Fund. It is therefore an appropriate comparator for the Fund's performance.

### RISK PROFILE

The performance of the Fund would be adversely affected by a downturn in the property market in terms of capital value or a weakening of rental yields. Commercial property values are affected by such factors as the level of interest rates, economic growth, fluctuations in property yields and tenant default. Hence, on the realisation of the investment, investors may receive less than the original amount invested. In the event of a default by an occupational tenant, the Fund will suffer a rental shortfall and is likely to incur additional cost including legal expenses, in maintaining, insuring and re-letting the property. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

Property valuations are a matter of the independent valuer's opinion rather than fact. Investments in property are relatively illiquid and more difficult to realise than equities or bonds. The Fund is therefore exposed to cash flow/liquidity risk and, in line with standard industry practice for valuing dual priced funds, can switch between a bid price basis and an offer price basis and vice versa. Where funds are invested in property, investors may not be able to switch or cash in their investment when they want to because property in the Fund may not always be readily saleable. If this is the case we may suspend dealing in the Fund.

The value of investments and the income from them will change over time.

### FUND MANAGER'S REPORT

Aviva Investors UK Fund Services Limited took the decision to suspend all dealing in the Aviva Investors UK Property Fund, the Aviva Investors UK Property Feeder Inc Fund and the Aviva Investors UK Property Feeder Acc Fund with effect from 12 noon on 18 March 2020. This was due to the Standing Independent Valuer advising us of "material valuation uncertainty" for all direct property assets within the portfolio and the associated risk that investors could have bought and sold shares/units at a price which did not fairly reflect the value of those shares/units had dealing been allowed to continue.

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, concluded 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.

## AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

### FUND MANAGER'S REPORT (CONTINUED)

As such Aviva Investors UK Fund Services Limited concluded that it would now be in investors' interests to wind-up the Funds and return cash to investors in a fair and orderly manner. The Funds will continue to be suspended and with effect from 19 July 2021 will be placed into termination. For further information, please visit our dedicated website at <https://www.avivainvestors.com/en-gb/paif/>

#### Performance

Over the twelve months to 30 September 2021, the Fund\* delivered a total return of -6.06% per cent (Share Class 2 Accumulation net of fees) compared to the Investment Association UK Direct Property Sector average of 2.87%.

#### Review

As investors will be aware, dealing in the Funds was suspended in March 2020 due to material uncertainty over the valuation of property within the portfolio, brought about by the COVID-19 pandemic. During this period of economic uncertainty, it became 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, concluded 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 it was concluded that it would be in investors' best interests to wind-up the Funds and return cash to investors in a fair and orderly manner.

The Funds have continued to be suspended during this period and with effect from 19 July 2021 was placed into termination. Since investors were informed that we will be closing the Aviva Investors UK Property Fund the focus of the manager has been on preparing for and executing the orderly sale of the Fund's portfolio.

In order to both improve investment performance for the benefit of investors whilst they remain invested in the Fund, and also to position each asset to achieve the best outcome when they are ultimately brought to market, we continue to deliver active management of the underlying property.

Following the sale of our Ealing Cross asset during Q2 2021, two further asset sales were carried out during Q3 2021. Lombardy Retail Park, Hayes was sold on 29 July at a price of £42.5m – a premium to the end of June valuation of £41m. Importantly, the Fund also secured outstanding rental arrears from the purchaser as well, which would otherwise not have been recoverable directly from the tenants after the point of sale. Colmore Gate, Birmingham was then sold on 13 September at a price of £39.5m, representing a significant premium to the end of June valuation of £34.7m. This facilitated a further capital repayment to investors, paid in October.

As previously advised, in order to ensure the fair treatment of all investors throughout the closure process, it has been necessary to continue the suspension of all dealing in the Fund, so all investors share equitably in the proceeds raised by the sale of each property. Continuing the suspension of dealing in the Fund enables us to conduct the sale process in an orderly manner so that we can maximise the sales values achieved and act in the best interests of all investors. Until the portfolio sales plan is complete, the Management team will continue to focus on income collection so that we can maximise the regular income distributions.

#### January 2022

\* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 30 September 2021 (share class 2 accumulation, net of fees).

Some of the information within this is based upon Aviva Investors estimates. These have been calculated by Aviva Investors Real Estate Strategy and Research Team based on data sourced from recent market transactions and should not to be relied on by anyone else for the purpose of making investment decisions. Past performance is not a guide to future.

### PROPERTY RELATED SECURITIES SALES

Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†

† Investment managed by a related party.

### PROPERTY RELATED SECURITIES PURCHASES

Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP†

Land Securities Group plc

† Investment managed by a related party.

### DIRECT PROPERTY SALES

Ealing Cross, 85 Uxbridge Road, London W5 5TH

Lombardy Retail Park, Hayes

Colmore Gate, 2-6 Colmore Row, Birmingham

### DIRECT PROPERTY PURCHASES

There were no purchases of property during the year.

## AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

**Performance History – Income Shares**

Calendar year	Share Class 1** %	Share Class 2** %	Share Class 5** %	Share Class 7*** %	Benchmark Performance* %
31.12.15 to 31.12.16	-3.90	-3.36	-3.32	N/A	0.48
31.12.16 to 31.12.17	8.54	9.19	9.84	N/A	7.54
31.12.17 to 31.12.18	3.40	3.70	3.90	N/A	3.24
31.12.18 to 31.12.19	-7.80	-7.20	-7.40	-7.40	-0.60
31.12.19 to 31.12.20	-14.90	-14.70	-14.60	-14.70	-5.30

\* Benchmark – Investment Association UK Direct Property Sector.

**Performance History – Accumulation Shares**

Calendar year	Share Class 1** %	Share Class 2** %	Benchmark Performance* %
31.12.15 to 31.12.16	-3.86	-3.37	0.48
31.12.16 to 31.12.17	8.51	9.06	7.54
31.12.17 to 31.12.18	3.40	3.60	3.24
31.12.18 to 31.12.19	-7.70	-7.30	-0.60
31.12.19 to 31.12.20	-13.70	-13.40	-5.30

\* Benchmark – Investment Association UK Direct Property Sector.

\*\* Please note that the Aviva Investors UK Property Fund launched on 18 August 2017. The past performance shown prior to this date relates to the Aviva Investors Property Trust (the "Unit Trust"). Past performance of the Unit Trust is shown because a scheme of arrangement took place between the Unit Trust and the Aviva Investors UK Property Fund on 18 August 2017, under which assets and investors, as at the effective date, were transferred from the Unit Trust to the Aviva Investors UK Property Fund.

\*\*\* Please note that as these Funds, or Classes, are recently launched no significant past performance data is currently available.

## COMPARATIVE TABLES

Class 1 Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	96.82	115.81	121.53
Return before operating charges <sup>†</sup>	(3.34)	(15.30)	(0.53)
Operating charges	(2.35)	(2.17)	(2.48)
Return after operating charges <sup>†</sup>	(5.69)	(17.47)	(3.01)
Distributions	(2.49)	(1.52)	(2.71)
Closing net asset value per share	88.64	96.82	115.81
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.88)%	(15.09)%	(2.48)%
<b>Other information</b>			
Closing net asset value (£000)	13,652	27,555	34,558
Closing number of shares	15,400,959	28,461,217	29,839,544
Operating charges (%) <sup>†</sup>	2.66%	2.04%	2.05%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	96.13	114.86	121.12
Lowest share price	88.51	96.16	116.07

Class 1 Accumulation	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	151.48	178.56	183.07
Return before operating charges <sup>†</sup>	(5.19)	(23.71)	(0.75)
Operating charges	(3.69)	(3.37)	(3.76)
Return after operating charges <sup>†</sup>	(8.88)	(27.08)	(4.51)
Distributions	(3.92)	(2.36)	(4.13)
Retained distributions on accumulation shares	3.92	2.36	4.13
Closing net asset value per share	142.60	151.48	178.56
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.86)%	(15.17)%	(2.46)%
<b>Other information</b>			
Closing net asset value (£000)	25,991	51,026	67,260
Closing number of shares	18,226,834	33,684,936	37,669,223
Operating charges (%) <sup>†</sup>	2.66%	2.04%	2.05%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	150.47	176.42	182.45
Lowest share price	139.59	150.43	176.40

Class 2 Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	89.91	107.40	112.70
Return before operating charges <sup>†</sup>	(3.14)	(14.21)	(0.14)
Operating charges	(1.97)	(1.74)	(2.00)
Return after operating charges <sup>†</sup>	(5.11)	(15.95)	(2.14)
Distributions	(2.49)	(1.54)	(3.16)
Closing net asset value per share	82.31	89.91	107.40
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.68)%	(14.85)%	(1.90)%
<b>Other information</b>			
Closing net asset value (£000)	4,255	8,588	13,089
Closing number of shares	5,168,684	9,551,752	12,187,583
Operating charges (%) <sup>†</sup>	2.38%	1.76%	1.77%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	89.15	106.51	112.42
Lowest share price	82.22	89.24	107.42

Class 2 Accumulation	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.87	127.95	130.59
Return before operating charges <sup>†</sup>	(3.77)	(16.99)	(0.32)
Operating charges	(2.40)	(2.09)	(2.32)
Return after operating charges <sup>†</sup>	(6.17)	(19.08)	(2.64)
Distributions	(3.04)	(1.87)	(3.54)
Retained distributions on accumulation shares	3.04	1.87	3.54
Closing net asset value per share	102.70	108.87	127.95
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.67)%	(14.91)%	(2.02)%
<b>Other information</b>			
Closing net asset value (£000)	12,252	24,005	37,605
Closing number of shares	11,929,998	22,048,134	29,390,289
Operating charges (%) <sup>†</sup>	2.38%	1.76%	1.77%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	108.09	126.12	130.23
Lowest share price	100.48	108.05	126.09

## COMPARATIVE TABLES (CONTINUED)

Class 5 Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.66	111.85	117.38
Return before operating charges <sup>†</sup>	(3.27)	(14.79)	(0.52)
Operating charges	(2.00)	(1.74)	(2.00)
Return after operating charges <sup>†</sup>	(5.27)	(16.53)	(2.52)
Distributions	(2.64)	(1.66)	(3.01)
Closing net asset value per share	85.75	93.66	111.85
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.63)%	(14.78)%	(2.15)%
<b>Other information</b>			
Closing net asset value (£000)	297	601	843
Closing number of shares	347,043	641,338	753,685
Operating charges (%) <sup>†</sup>	2.31%	1.69%	1.70%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	92.84	110.94	117.66
Lowest share price	85.67	92.96	112.25

Class 6 Income	2021 p per share	2020 p per share	2019 <sup>§</sup> p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	–	–	112.44
Return before operating charges <sup>†</sup>	–	–	(112.25)
Operating charges	–	–	(0.19)
Return after operating charges <sup>†</sup>	–	–	(112.44)
Distributions	–	–	–
Closing net asset value per share	–	–	–
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	–	–	–
<b>Other information</b>			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) <sup>†</sup>	–	–	–
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	–	–	111.99
Lowest share price	–	–	111.27

Class 6 Accumulation	2021 p per share	2020 p per share	2019 <sup>§</sup> p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	–	–	128.92
Return before operating charges <sup>†</sup>	–	–	(128.70)
Operating charges	–	–	(0.22)
Return after operating charges <sup>†</sup>	–	–	(128.92)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	–	–	–
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	–	–	–
<b>Other information</b>			
Closing net asset value (£000)	–	–	–
Closing number of shares	–	–	–
Operating charges (%) <sup>†</sup>	–	–	–
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	–	–	128.27
Lowest share price	–	–	127.44

Class 7 Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.51	94.54	99.97
Return before operating charges <sup>†</sup>	(2.73)	(12.48)	(0.50)
Operating charges	(1.72)	(1.51)	(1.76)
Return after operating charges <sup>†</sup>	(4.45)	(13.99)	(2.26)
Distributions	(2.65)	(2.04)	(3.17)
Closing net asset value per share	71.41	78.51	94.54
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.67)%	(14.80)%	(2.26)%
<b>Other information</b>			
Closing net asset value (£000)	194	378	164
Closing number of shares	271,720	502,172	173,745
Operating charges (%) <sup>†</sup>	2.38%	1.76%	1.77%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>°</sup></b>			
Highest share price	77.85	93.76	100.21
Lowest share price	71.53	78.35	95.23

## COMPARATIVE TABLES (CONTINUED)

Class D Income	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.52	98.68	103.78
Return before operating charges <sup>‡</sup>	(3.17)	(13.13)	(0.67)
Operating charges	(1.31)	(0.95)	(1.09)
Return after operating charges <sup>‡</sup>	(4.48)	(14.08)	(1.76)
Distributions	(3.46)	(2.08)	(3.34)
Closing net asset value per share	74.58	82.52	98.68
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.43)%	(14.27)%	(1.70)%
<b>Other information</b>			
Closing net asset value (£000)	50,150	102,546	160,316
Closing number of shares	67,243,381	124,269,336	162,456,106
Operating charges (%) <sup>‡</sup>	1.66%	1.04%	1.05%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	82.55	98.79	104.83
Lowest share price	74.58	82.52	98.70

Class D Accumulation	2021 p per share	2020 p per share	2019 p per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.32	105.51	107.33
Return before operating charges <sup>‡</sup>	(3.45)	(14.17)	(0.69)
Operating charges	(1.44)	(1.02)	(1.13)
Return after operating charges <sup>‡</sup>	(4.89)	(15.19)	(1.82)
Distributions	(3.83)	(2.18)	(3.53)
Retained distributions on accumulation shares	3.83	2.18	3.53
Closing net asset value per share	85.43	90.32	105.51
† after direct transaction costs of	–	–	–
<b>Performance</b>			
Return after operating charges	(5.41)%	(14.40)%	(1.70)%
<b>Other information</b>			
Closing net asset value (£000)	90,961	177,716	254,968
Closing number of shares	106,468,988	196,760,338	241,649,023
Operating charges (%) <sup>‡</sup>	1.66%	1.04%	1.05%
Direct transaction costs (%) <sup>#</sup>	–	–	–
<b>Prices<sup>≈</sup></b>			
Highest share price	90.54	105.25	108.42
Lowest share price	84.30	90.32	105.16

§ This share class was closed on 26 October 2018.

‡ The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

- (a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.  
(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

# The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

≈ The high and low prices disclosed are the high and low prices for the accounting year and not the calendar year and are based on published prices. The net asset value per share price is based on the net asset value in the financial statements and may be different due to post period end accounting adjustments.

## COMPARATIVE TABLES (CONTINUED)

**Ongoing Charges Figure\***

Share class	OCF*	PER**	OCF*	PER**
	30.09.21	30.09.21	30.09.20	30.09.20
Class 1	1.02%	1.64%	1.02%	1.02%
Class 2	0.74%	1.64%	0.74%	1.02%
Class 5	0.67%	1.64%	0.67%	1.02%
Class 7	0.74%	1.64%	0.74%	1.02%
Class D	0.02%	1.64%	0.02%	1.02%

\* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

\*\* The Property Expense Ratio (PER) reflects any additional costs associated with the day-to-day operation of the direct property assets and is presented as a percentage of the average net value of the Fund over the year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

## PORTFOLIO STATEMENT

As at 30 September 2021

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Property Related Assets 0.00% (0.00%)</b>				
Land Securities Group plc	GBP	199	1	–
<b>Total property related assets</b>			<b>1</b>	<b>–</b>
<b>Direct Properties 70.02% (79.62%)</b>				
<b>Market values up to £10,000,000</b>				
Development Land, Dyce Drive, Aberdeen	GBP			
Aberdeen Business Park, Aberdeen	GBP			
Longus House, 40 – 48 Eastgate Street, Chester	GBP			
St James Gate, Office Block 1	GBP			
<b>Total market values up to £10,000,000</b>			<b>17,771</b>	<b>8.98</b>
<b>Adjustments for lease incentives</b>			<b>(1,059)</b>	<b>(0.53)</b>
			<b>16,712</b>	<b>8.45</b>
<b>Market values between £10,000,000 and £20,000,000</b>				
Spurriergate, York, Units 1-5, Spurriergate, Units 1-3 High Ousegate	GBP			
Central Studios, Reading, Berkshire RG1 1NP	GBP			
Castle Bromwich Business Park, Birmingham	GBP			
<b>Total market values over £10,000,000</b>			<b>52,608</b>	<b>26.61</b>
<b>Adjustments for lease incentives</b>			<b>(401)</b>	<b>(0.21)</b>
			<b>52,207</b>	<b>26.40</b>
<b>Market values over £20,000,000</b>				
The Corn Exchange, Exchange Square, Manchester	GBP			
The Guildhall Shopping Centre, Exeter	GBP			
<b>Total market values over £20,000,000</b>			<b>74,751</b>	<b>37.80</b>
<b>Adjustments for lease incentives</b>			<b>(5,024)</b>	<b>(2.54)</b>
			<b>69,727</b>	<b>35.26</b>
<b>Total direct properties</b>			<b>145,130</b>	<b>73.39</b>
<b>Total adjustments for lease incentives</b>			<b>(6,484)</b>	<b>(3.28)</b>
<b>Total direct properties after adjustments</b>			<b>138,646</b>	<b>70.11</b>
<b>Liquidity Funds 0.0% (2.29%)</b>				
Investment assets			138,647	70.11
Fair Value adjustment			7,312	3.70
Net other assets			51,793	26.19
<b>Net assets</b>			<b>197,752</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 September 2020.

## STATEMENT OF TOTAL RETURN

### For the year ended 30 September 2021

	Notes	£000	Year ended 30.09.21 £000	Year ended restated 30.09.20 £000
Income				
Net capital losses*	2		(32,415)	(79,856)
Revenue*	3	23,737		26,441
Expenses				
Expenses	4	(11,348)		(16,932)
Interest payable and similar charges	5	(316)		(316)
Net revenue before taxation*		12,073		9,193
Taxation	6	(223)		–
Net revenue after taxation			11,850	9,193
<b>Total return before distributions</b>			<b>(20,565)</b>	<b>(70,663)</b>
Distributions	7		(12,037)	(10,209)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(32,602)</b>	<b>(80,872)</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. Please see the notes to accounts for further information.

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

### For the year ended 30 September 2021

	£000	Year ended 30.09.21 £000	£000	Year ended 30.09.20 £000
<b>Opening net assets attributable to shareholders</b>		<b>392,431</b>		<b>568,803</b>
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–		1,836	
Amounts payable on cancellation of shares	(169,419)		(103,777)	
		(169,419)		(101,941)
Dilution adjustment		998		947
Change in net assets attributable to shareholders from investment activities (see above)		(32,602)		(80,872)
Retained distribution on accumulation shares		6,344		5,494
<b>Closing net assets attributable to shareholders</b>		<b>197,752</b>		<b>392,431</b>

## BALANCE SHEET

### As at 30 September 2021

	Notes	As at 30.09.21 £000	As at restated 30.09.20 £000
<b>Current assets:</b>			
Investments available for sale*		138,647	313,975
Debtors*	9	20,671	24,051
Cash and bank balances	10	54,069	61,030
Cash equivalents	11	–	9,000
<b>Total assets</b>		<b>213,387</b>	<b>408,056</b>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		(2,077)	(275)
Finance lease payable	23	(7,312)	(7,611)
Other creditors	12	(6,246)	(7,739)
<b>Total liabilities</b>		<b>(15,635)</b>	<b>(15,625)</b>
<b>Net assets attributable to shareholders</b>		<b>197,752</b>	<b>392,431</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. Please see the notes to accounts for further information.

## CASH FLOW STATEMENT

### For the year ended 30 September 2021

	Note	£000	Year ended 30.09.21 £000	£000	Year ended 30.09.20 £000
<b>Net cash inflow from operating activities</b>	20		<b>10,241</b>		<b>10,929</b>
<b>Servicing of finance</b>					
Distributions paid			(1,718)		(6,795)
<b>Taxation</b>					
Taxation paid			(521)		(3,495)
			<b>8,002</b>		<b>639</b>
<b>Financial investments</b>					
Purchases of investments		(42,133)		(50,100)	
Sales of investments		189,378		50,300	
Capital expenditure		(2,166)		(5,047)	
			<b>145,079</b>		<b>(4,847)</b>
<b>Financing</b>					
Interest paid from income		3		654	
Finance lease payments		–		(316)	
Amounts received on issue of shares		–		8,323	
Amounts paid on cancellation of shares		(169,045)		(113,245)	
			<b>(169,042)</b>		<b>(104,584)</b>
<b>Decrease in cash in the year</b>			<b>(15,961)</b>		<b>(108,792)</b>
<b>Net cash and cash equivalents at the start of the year</b>			<b>70,030</b>		<b>178,822</b>
<b>Net cash and cash equivalents at the end of the year</b>			<b>54,069</b>		<b>70,030</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting basis and policies

Please see pages 6 to 9 for accounting basis and policies.

### 2 Net capital losses

	Year ended 30.09.21 £000	Year ended restated 30.09.20 £000
<b>Net capital losses on investment during the year comprise:</b>		
Direct properties*	(32,415)	(79,856)
<b>Net capital losses**</b>	<b>(32,415)</b>	<b>(79,856)</b>

\* The amounts have been restated in relation to rent concession accounting changes please see recognition of revenue accounting policies for further information. Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. The published amount for Direct Properties was £80,618,000.

\*\* Total realised losses for the year were £(34,947,000) (2020: £(2,320,000)) and the movement in unrealised gains was £2,532,000 (2020: £(77,535,000)). Included in realised losses for the year were unrealised losses recognised in previous years.

### 3 Revenue

	Year ended 30.09.21 £000	Year ended restated 30.09.20 £000
Bank and deposit interest	–	99
Interest on debt securities	2	196
Property rental income*	18,644	20,141
Service charges	5,091	6,005
<b>Total revenue</b>	<b>23,737</b>	<b>26,441</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. The published amount for Property Rental Income was £20,903,000.

### 4 Expenses

	Year ended 30.09.21 £000	Year ended 30.09.20 £000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee	861	1,250
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Interest payable	–	4
<b>Other expenses:</b>		
Bad debt written off	552	943
Head rent	1	21
Insurance	206	187
Lease incentives	(1,670)	98
Maintenance costs	751	498
Marketing costs	12	41
Non-recoverable expenses	2,195	4,701
Professional fee	655	893
Valuer's fees	(62)	48
Void rates	1,371	1,101
Void service charge costs	1,385	1,142
Service charges	5,091	6,005
	10,487	15,678
<b>Total expenses</b>	<b>11,348</b>	<b>16,932</b>

The audit fee was £108,681 (2019: £89,501) net of VAT. The non audit services fee was £17,000 net of VAT.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5 Interest payable and similar charges**

	Year ended 30.09.21 £000	Year ended 30.09.20 £000
Interest payable	316	316
<b>Total interest payable and similar charges</b>	<b>316</b>	<b>316</b>

**6 Taxation****a Analysis of tax charge**

	Year ended 30.09.21 £000	Year ended 30.09.20 £000
Adjustment in respect of prior period	223	–
<b>Total tax for the year (see note 6b)</b>	<b>223</b>	<b>–</b>

**b Factors affecting current tax charge**

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2020: 20%).

The differences are explained below:

	Year ended 30.09.21 £000	Year ended restated 30.09.20 £000
<b>Net revenue before taxation*</b>	<b>12,073</b>	<b>9,193</b>
Corporation tax at 20%	2,414	1,839
<b>Effects of:</b>		
Adjustments in respect of prior period	223	–
Interest revenue distributed gross	63	(58)
Property income not subject to corporation tax	(2,649)	(2,031)
Fund management fee deficit	172	250
<b>Current tax charge (see note 6a)</b>	<b>223</b>	<b>–</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. The published amount for Net revenue before taxation was £9,995,000.

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

**c Deferred tax**

There was no provision for deferred tax at the year end (2020: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**7 Distributions**

	Year ended 30.09.21 £000	Year ended restated 30.09.20 £000
<b>The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:</b>		
Interim distribution	4,553	9,365
Final distribution	6,860	740
	11,413	10,105
Add: Revenue deducted on cancellation of shares	624	105
Deduct: Revenue received on issue of shares	–	(1)
<b>Total distributions</b>	<b>12,037</b>	<b>10,209</b>
<b>Reconciliation of distributions for the year to net revenue after taxation</b>		
Distributions for the year	12,037	10,209
ACD's periodic charge borne by the capital account	(2)	(3)
Equalisation on conversions	–	(6)
Revenue deficit transferred to capital*	–	(245)
Adjustment to revenue for rent concessions	(185)	(762)
<b>Net revenue after taxation</b>	<b>11,850</b>	<b>9,193</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy.

Details of the distributions per share are set out in the distribution tables on pages 47 to 50.

**8 Fair value hierarchy**

Valuation technique	As at 30.09.21 Assets £000	As at 30.09.20 Assets £000
Level 1: Quoted prices	1	1
Level 2: Observable market data	–	9,000
<b>Total value</b>	<b>1</b>	<b>9,001</b>

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**9 Debtors**

	As at 30.09.21 £000	As at restated 30.09.20 £000
Accrued revenue	–	1
Current property capital debtor	1,715	3,497
Income tax recoverable	–	223
Lease incentive debtor*	2,421	751
Managing agent or other property debtor**	12,022	8,980
Rent free debtor*	4,063	6,463
Service charge debtor	450	4,136
<b>Total debtors</b>	<b>20,671</b>	<b>24,051</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. The published amount Rent free debtor was £7,225,000.

\*\* Managing Agent or other property debtor includes VAT receivable of £2,181,000 (PY:1,271,000).

**10 Cash and bank balances**

	As at 30.09.21 £000	As at 30.09.20 £000
Amounts held at futures clearing houses and brokers	12,931	42,870
Cash and bank balances	41,138	18,160
<b>Total cash and bank balances</b>	<b>54,069</b>	<b>61,030</b>

**11 Cash equivalents**

	As at 30.09.21 £000	As at 30.09.20 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	–	9,000
<b>Total cash equivalents</b>	<b>–</b>	<b>9,000</b>

**12 Other creditors**

	As at 30.09.21 £000	As at 30.09.20 £000
Accrued expenses	124	206
Current property revenue creditor*	1,281	2,756
Income tax withheld on distributions	1,028	–
Service charge creditor	2,696	4,136
VAT net payable account	1,117	641
<b>Total other creditors</b>	<b>6,246</b>	<b>7,739</b>

\* The current property revenue creditor includes a legal provision recognised in the year relating to contractual disputes with tenants. The current provision represents management's best estimate in relation to these claims as at the balance sheet date. No significant material post balance events have taken place that impact the measurement of the provision as at the date of the approval of the financial statements. The claims were settled during the year and the provision as at year end was £Nil (2020: £1,650,000).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**13 Investment property**

	As at 30.09.21 £000
<b>Land and buildings</b>	
Opening fair value of investment property*	313,974
Property disposals	(151,225)
Capital Expenditure – Additions	2,066
Net gains or losses from fair value adjustments	(26,169)
<b>Closing fair value of investment property</b>	<b>138,646</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. The opening fair value of investment properties published amount was £313,212,000.

The valuation has been primarily derived using comparable recent market transactions on arm's length terms. The valuation was also determined using cashflow projections based on estimates of current and future cashflows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using capitalisation rates that reflect current market conditions.

The future rental rates were estimated depending on the actual location, type and quality of the property, and by taking into account market data and projections at the valuation date. In addition to the condition and repair of buildings and sites, certain assumptions were also made as to the tenure, letting, and local town planning in order to derive the valuation.

**14 Contingent liabilities and commitments**

There were no contingent liabilities or commitments at the year end (2020: £nil).

**15 Related party transactions**

Aviva Investors UK Fund Services Limited, Aviva Investors Global Services Limited and the Aviva Group are deemed to be related parties per section 33.10 of FRS 102 as they are entities with control, joint control or significant influence over the entity.

Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £14,625 (2020: £97,308). Any balance due from the ACD in respect of issues is shown in note 9. Any balance due to the ACD in respect of cancellations is shown in note 12.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £288,970 (2020: £457,775). The amount outstanding at the year end was £164,339 (2020: £665). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

The total purchases and sales on these investments during the 30 September 2021 amounted to £37,500,000 (2020: £50,300,000) and £46,500,000 (2020: £120,300,000) respectively. The income received during the 30 September 2021 amounted to £1,568 (2020: £196,149).

Holdings at the year end and movements during the year are as follows:

	Holdings at 30.09.21 (shares)	Movement (shares)	Holdings at 30.09.20 (shares)
ACD and related parties (Class 1 Income shares)	7,286,911	(6,101,554)	13,388,465
ACD and related parties (Class 2 Income shares)	395,433	(387,713)	783,146
ACD and related parties (Class 1 Accumulation shares)	1,495	(1,267)	2,762
ACD and related parties (Class 2 Accumulation shares)	1,335,538	(1,507,710)	2,843,248

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16 Shareholder funds**

The Fund currently has five share classes: Class 1 (Retail), Class 2, Class 5 and Class 7 (Institutional) and Class D (only available for investment by the Feeder Funds). The Fund Management Fee is as follows:

Class 1:	1.02%
Class 2:	0.74%
Class 5:	0.67%
Class 7:	0.74%
Class D:	0.02%

The net asset value of each share class, the net asset value per share and the number of shares in the class are shown on pages 30 to 32. The distributions per share class are given in the distribution tables on pages 47 to 50. All the share classes have the same rights on winding up.

**17 Shares in issue reconciliation**

	Number of shares in issue at 30.09.20	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.21
Class 1 Income shares	28,461,217	–	(13,060,258)	–	15,400,959
Class 2 Income shares	9,551,752	–	(4,383,068)	–	5,168,684
Class 5 Income shares	641,338	–	(294,295)	–	347,043
Class 7 Income shares	502,172	–	(230,452)	–	271,720
Class D Income shares	124,269,336	–	(57,025,955)	–	67,243,381
Class 1 Accumulation shares	33,684,936	–	(15,458,102)	–	18,226,834
Class 2 Accumulation shares	22,048,134	–	(10,118,136)	–	11,929,998
Class D Accumulation shares	196,760,338	–	(90,291,350)	–	106,468,988

**18 Derivatives and other financial instruments**

The policies applied in the management of financial instruments are set out on page 7.

**Fair value of financial assets and financial liabilities**

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2020: £nil).

**Currency risk**

The Fund's financial assets and liabilities are all denominated in Sterling. As a result, the Fund has no exposure to currency movement.

**Interest rate risk**

At the year end date 27.40% (2020: 17.80%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, the interest rate risk is not considered significant.

Currency 30.09.21	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Sterling	54,069	138,460	24,789	217,318
<b>Financial Liabilities</b>				
Sterling	–	–	(19,566)	(19,566)
<b>Total</b>	<b>54,069</b>	<b>138,460</b>	<b>5,223</b>	<b>197,752</b>

Currency 30.09.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
<b>Financial Assets</b>				
Sterling	70,030	313,213	20,677	403,920
<b>Financial Liabilities</b>				
Sterling	–	–	(11,489)	(11,489)
<b>Total</b>	<b>70,030</b>	<b>313,213</b>	<b>9,188</b>	<b>392,431</b>

The value of the investment property has been included in the above table for completeness, although it does not meet the definition of a financial asset.

The floating rate on bank balances is linked to the Depositary's base rate.

The floating rate on deposits is linked to LIBOR or its overseas equivalent.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**18 Derivatives and other financial instruments (continued)****Market price risk**

At the year end date, 70.02% (2020: 84.05%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 7.00% (2020: 8.41%).

Other market price risk is the risk that the value of the funds investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movements. This arises mainly from uncertainty about future prices of investments the Fund might hold including financial instruments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. Property values can go up and down in extreme market conditions, property values may move more significant than bond and shares. Valuation are determined by independent property experts. The Valuation of property is generally a matter of valuer's opinion. The amount raised when a property is sold may be less than the valuation. The Fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the funds investment

**Liquidity Risk**

The percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature are nil. A special arrangement that arises as a direct consequence of the illiquid nature of the assets of the Fund which impacts the specific redemption rights of investors in a type of share of the Fund and which is a bespoke or separate arrangement from the general redemption rights of investor. These are currently no special arrangements in place. The following table provides a maturity analysis of the groups financial liabilities showing the remain contractual maturities on a undiscounted basis.

	On demand £000	Within one year £000	Over one year but no more than five years £000	Over five years £000
<b>30.09.21</b>				
Distribution payable	–	2,077	–	–
Finance lease liability	–	7,312	–	–
Other creditors	–	12,873	–	–
<b>Total</b>	–	<b>22,262</b>	–	–

	On demand £000	Within one year £000	Over one year but no more than five years £000	Over five years £000
<b>30.09.20</b>				
Distribution payable	–	275	–	–
Finance lease liability	–	7,611	–	–
Other creditors	–	3,603	–	–
<b>Total</b>	–	<b>11,489</b>	–	–

**19 Direct transaction costs**

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 30 September 2021 (2020: £nil). The total purchases for the year amounted to £41,933,410 (2020: £54,905,692) and the total sales amounted to £198,378,362 (2020: £122,654,687).

**Dealing spread**

As at 30 September 2021, the average portfolio dealing spread was nil% (2020: nil%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

**20 Reconciliation of net revenue before taxation to net cash inflow from operating activities**

	Year ended 30.09.21 £000	Year ended restated 30.09.20 £000
Net revenue before taxation*	12,703	9,193
Decrease/(increase) in debtors*	2,065	(1,209)
(Decrease)/increase in creditors	(4,527)	2,945
<b>Net cash inflow from operating activities</b>	<b>10,241</b>	<b>10,929</b>

\* Due to a mandatory change in FRS102 for the treatment of Covid rent concessions, that became effective after the last year end date, the figures have been updated to reflect the current accounting policy. The published amount for Net revenue before taxation was £9,955,000, Increase in Debtors was £1,971,000.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**21 Post balance sheet events**

On 6 October 2021 the Aviva Investor UK Property Fund completed the sale of Development Land, Dyce Drive, Aberdeen for a sale price of £180,000 (before fees).

As a result of market movements since the balance sheet date on 30 September 2021, the price of each share class has changed as follows:

Share Class	Share Price in class currency 30.09.20	Share Price in class currency 02.02.22	Increase/ (Decrease) %	Net Asset Value (£) 02.02.22
Class 1 Income	88.64	92.20	4.02	13,919,387
Class 1 Accumulation	142.60	148.45	4.10	25,980,530
Class 2 Income	82.31	85.68	4.09	4,341,694
Class 2 Accumulation	102.70	106.98	4.17	12,244,950
Class 5 Income	85.75	89.27	4.10	303,767
Class 7 Income	71.41	74.32	4.08	198,546
Class D Income	74.58	77.25	3.58	51,946,005
Class D Accumulation	85.43	85.58	0.18	91,117,508

**22 Operating leases**

The future aggregated minimum rentals receivable under non-cancellable operating leases as lessor are as follows:

	As at 30.09.21 £000	As at 30.09.20 £000
Not later than one year	9,499	18,306
Later than one year and not later than five years	22,131	37,874
Later than five years	225,704	229,237
<b>Total</b>	<b>257,334</b>	<b>285,417</b>

The Fund closed on 19 July 2021 and will be terminated in due course. The remaining properties held within the Fund will be sold and operating leases will move to the purchaser.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**23 Finance Lease Payable**

The following direct properties have finance lease commitments:

- The Corn Exchange, Exchange Square, Manchester
- The Guildhall Shopping Centre, Exeter

The above properties, subject to finance leases are primarily used in operations of the Fund to generate rental income.

	Year ended 30.09.21 £000	Year ended 30.09.20 £000
Commitments in relation to finance leases are payable as follows:		
Not later than one year	326	326
Later than one year and not later than five years	1,303	1,303
Later than five years	24,505	24,804
<b>Minimum lease payments</b>	<b>26,134</b>	<b>26,433</b>
Future finance charges	18,822	18,822
<b>Total Lease payments</b>	<b>7,312</b>	<b>7,611</b>
The present value of finance lease liabilities are as follows:		
Not later than one year	316	316
Later than one year and not later than five years	1,256	1,260
Later than five years	17,251	17,251
<b>Minimum lease payments</b>	<b>18,823</b>	<b>18,827</b>
Finance lease amortisation		
Brought forward at 1 October	26,414	26,593
Carried forward at 30 September	26,242	26,403
<b>Finance lease amortisation</b>	<b>172</b>	<b>190</b>

The Fund closed on 19 July 2021 and will be terminated in due course. The remaining properties held within the Fund will be sold and finance leases will move to the purchaser .

## DISTRIBUTION TABLES

## Final distribution payable in pence per share for the six months ended 30 September 2021

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2021	Final distribution paid 30 November 2020	
Class 1	Property distribution	Group 1	1.2533	0.2507	1.0026	–	1.0026	0.0000	
		Group 2	1.2533	0.2507	1.0026	0.0000	1.0026	0.0000	
	Interest distribution	Group 1			0.0000	–	0.0000	0.0038	
		Group 2			0.0000	0.0000	0.0000	0.0038	
	Dividend distribution	Group 1			0.7714	–	0.7714	0.0000	
		Group 2			0.7714	0.0000	0.7714	0.0000	
	Class 2	Property distribution	Group 1	1.2613	0.2523	1.0090	–	1.0090	0.0000
			Group 2	1.2613	0.2523	1.0090	0.0000	1.0090	0.0000
Interest distribution		Group 1			0.0000	–	0.0000	0.0036	
		Group 2			0.0000	0.0000	0.0000	0.0036	
Dividend distribution		Group 1			0.7164	–	0.7164	0.0000	
		Group 2			0.7164	0.0000	0.7164	0.0000	
Class 5		Property distribution	Group 1	1.3394	0.2679	1.0715	–	1.0715	0.0000
			Group 2	1.3394	0.2679	1.0715	0.0000	1.0715	0.0000
	Interest distribution	Group 1			0.0000	–	0.0000	0.0037	
		Group 2			0.0000	0.0000	0.0000	0.0037	
	Dividend distribution	Group 1			0.7463	–	0.7463	0.0000	
		Group 2			0.7463	0.0000	0.7463	0.0000	
	Class 7	Property distribution	Group 1	1.0755	0.2151	0.8604	–	0.8604	0.0000
			Group 2	1.0755	0.2151	0.8604	0.0000	0.8604	0.0000
Interest distribution		Group 1			0.0000	–	0.0000	0.0031	
		Group 2			0.0000	0.0000	0.0000	0.0031	
Dividend distribution		Group 1			0.8448	–	0.8448	0.3038	
		Group 2			0.8448	0.0000	0.8448	0.3038	
Class D		Property distribution	Group 1	2.3554	0.4711	1.8843	–	1.8843	0.0000
			Group 2	2.3554	0.4711	1.8843	0.0000	1.8843	0.0000
	Interest distribution	Group 1			0.0000	–	0.0000	0.0033	
		Group 2			0.0000	0.0000	0.0000	0.0033	
	Dividend distribution	Group 1			0.6491	–	0.6491	0.2153	
		Group 2			0.6491	0.0000	0.6491	0.2153	

## DISTRIBUTION TABLES (CONTINUED)

## Final distribution payable in pence per share for the six months ended 30 September 2021 (continued)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2021	Final distribution paid 30 November 2020	
Class 1	Property distribution	Group 1	1.9561	0.3912	1.5649	–	1.5649	0.0000	
		Group 2	1.9561	0.3912	1.5649	0.0000	1.5649	0.0000	
	Interest distribution	Group 1			0.0000	–	0.0000	0.0060	
		Group 2			0.0000	0.0000	0.0000	0.0060	
	Dividend distribution	Group 1			1.2372	–	1.2372	0.0000	
		Group 2			1.2372	0.0000	1.2372	0.0000	
	Class 2	Property distribution	Group 1	1.5259	0.3052	1.2207	–	1.2207	0.0000
			Group 2	1.5259	0.3052	1.2207	0.0000	1.2207	0.0000
Interest distribution		Group 1			0.0000	–	0.0000	0.0043	
		Group 2			0.0000	0.0000	0.0000	0.0043	
Dividend distribution		Group 1			0.8909	–	0.8909	0.0000	
		Group 2			0.8909	0.0000	0.8909	0.0000	
Class D		Property distribution	Group 1	2.5845	0.5169	2.0676	–	2.0676	0.0000
			Group 2	2.5845	0.5169	2.0676	0.0000	2.0676	0.0000
	Interest distribution	Group 1			0.0000	–	0.0000	0.0036	
		Group 2			0.0000	0.0000	0.0000	0.0036	
	Dividend distribution	Group 1			0.7428	–	0.7428	0.2316	
		Group 2			0.7428	0.0000	0.7428	0.2316	

**Final Distribution**

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2021.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2021.

## DISTRIBUTION TABLES (CONTINUED)

## Interim distribution paid in pence per share for the six months ended 31 March 2021

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2021	Interim distribution paid 31 May 2020
Class 1	Property distribution	Group 1	0.2974	0.0595	0.2379	–	0.2379	0.9730
		Group 2	0.2974	0.0595	0.2379	0.0000	0.2379	0.9730
	Interest distribution	Group 1			0.0005	–	0.0005	0.0611
		Group 2			0.0005	0.0000	0.0005	0.0611
	Dividend distribution	Group 1			0.4766	–	0.4766	0.4823
		Group 2			0.4766	0.0000	0.4766	0.4823
Class 2	Property distribution	Group 1	0.3988	0.0798	0.3190	–	0.3190	1.0330
		Group 2	0.3988	0.0798	0.3190	0.0000	0.3190	1.0330
	Interest distribution	Group 1			0.0004	–	0.0004	0.0584
		Group 2			0.0004	0.0000	0.0004	0.0584
	Dividend distribution	Group 1			0.4425	–	0.4425	0.4472
		Group 2			0.4425	0.0000	0.4425	0.4472
Class 5	Property distribution	Group 1	0.4474	0.0895	0.3579	–	0.3579	1.1302
		Group 2	0.4474	0.0895	0.3579	0.0000	0.3579	1.1302
	Interest distribution	Group 1			0.0005	–	0.0005	0.0608
		Group 2			0.0005	0.0000	0.0005	0.0608
	Dividend distribution	Group 1			0.4610	–	0.4610	0.4658
		Group 2			0.4610	0.0000	0.4610	0.4658
Class 7	Property distribution	Group 1	0.3499	0.0700	0.2799	–	0.2799	0.9627
		Group 2	0.3499	0.0700	0.2799	0.0000	0.2799	0.9627
	Interest distribution	Group 1			0.0004	–	0.0004	0.0473
		Group 2			0.0004	0.0000	0.0004	0.0473
	Dividend distribution	Group 1			0.6676	–	0.6676	0.7195
		Group 2			0.6676	0.0000	0.6676	0.7195
Class D	Property distribution	Group 1	0.6562	0.1312	0.5250	–	0.5250	1.3872
		Group 2	0.6562	0.1312	0.5250	0.0000	0.5250	1.3872
	Interest distribution	Group 1			0.0004	–	0.0004	0.0610
		Group 2			0.0004	0.0000	0.0004	0.0610
	Dividend distribution	Group 1			0.4061	–	0.4061	0.4101
		Group 2			0.4061	0.0000	0.4061	0.4101

## DISTRIBUTION TABLES (CONTINUED)

## Interim distribution paid in pence per share for the six months ended 31 March 2021 (continued)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2021	Interim distribution paid 31 May 2020
Class 1	Property distribution	Group 1	0.4582	0.0916	0.3666	–	0.3666	1.5102
		Group 2	0.4582	0.0916	0.3666	0.0000	0.3666	1.5102
	Interest distribution	Group 1			0.0007	–	0.0007	0.0953
		Group 2			0.0007	0.0000	0.0007	0.0953
	Dividend distribution	Group 1			0.7520	–	0.7520	0.7527
		Group 2			0.7520	0.0000	0.7520	0.7527
Class 2	Property distribution	Group 1	0.4773	0.0954	0.3819	–	0.3819	1.2544
		Group 2	0.4773	0.0954	0.3819	0.0000	0.3819	1.2544
	Interest distribution	Group 1			0.0005	–	0.0005	0.0703
		Group 2			0.0005	0.0000	0.0005	0.0703
	Dividend distribution	Group 1			0.5411	–	0.5411	0.5401
		Group 2			0.5411	0.0000	0.5411	0.5401
Class D	Property distribution	Group 1	0.7125	0.1425	0.5700	–	0.5700	1.4336
		Group 2	0.7125	0.1425	0.5700	0.0000	0.5700	1.4336
	Interest distribution	Group 1			0.0004	–	0.0004	0.0628
		Group 2			0.0004	0.0000	0.0004	0.0628
	Dividend distribution	Group 1			0.4502	–	0.4502	0.4466
		Group 2			0.4502	0.0000	0.4502	0.4466

**Interim distribution**

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2020.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2020.

**Equalisation**

Equalisation applies only to Group 2 shares, in other words shares purchased during the relevant period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the ACD to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the year end and of the net income and net gains or losses on the scheme property of the Company for the year then ended.

In preparing the financial statements the ACD is required to:

- follow applicable accounting standards;
- make judgements and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and
- comply with the Instrument of Incorporation and the Statement of Recommended Practice for Authorised Funds.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the Instrument of Incorporation.

The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Property Funds ICVC for the year ended 30 September 2021 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.



I Buckle  
Director  
4 February 2022

## STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND DEPOSITARY'S REPORT TO THE SHAREHOLDERS

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, the Open-Ended investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the regulations;
- the value of shares of the Company are calculated in accordance with the regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM' or 'the Manager') are carried out (unless they conflict with the regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Scheme documents and the regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Aviva Investors UK Fund Services Limited:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company in accordance with the regulations and the Scheme documents of the Company.

J. P. Morgan Europe Limited  
London  
4 February 2022

## INDEPENDENT PROPERTY VALUER'S REPORT TO THE SHAREHOLDERS OF THE AVIVA INVESTORS UK PROPERTY FUND

We confirm that we have valued the immovables of Aviva Investors UK Property Fund as at 30 September 2021 in accordance with the regulations and RICS Valuation – Professional Standards, March 2012 published by the Royal Institution of Chartered Surveyors. The reported figure represents the sum of the market values of those individual immovables.

Each property is inspected by us at the time of purchase and subsequently at least once each year. We are of the opinion that, as at 30 September 2021, the market value of the immovables of Aviva Investors UK Property Fund was £138,075,000.

The valuation of each immovable is considered individually and excludes any additional value which might arise by the aggregation of the entire portfolio or a group of properties for sale to one purchaser. No allowance has been made for any expenses of realisation or for any liability for taxation which might arise on disposal.

Knight Frank  
London  
30 November 2021

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS PROPERTY FUNDS ICVC

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion, the financial statements of Aviva Investors Property Funds ICVC (the "Group and Company"):

- give a true and fair view of the financial position of the Group, the Company and each of the sub-funds as at 30 September 2021 and of the net revenue/expense and the net capital gains/losses on the scheme property of the Group, the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Property Funds ICVC is an Open Ended Investment Company ('OEIC') with 2 sub-funds, one of which is a parent entity with a subsidiary. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and fund Balance Sheets as at 30 September 2021; the consolidated and fund Statements of Total Return, the consolidated and fund Statements of Change in Net Assets attributable to Shareholders and the consolidated and fund Cash Flow Statements for the year then ended; the distribution tables; the accounting policies (within the Policies and Risks section); and the notes to the financial statements.

### BASIS FOR OPINION

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

### Independence

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

### EMPHASIS OF MATTER – FINANCIAL STATEMENTS PREPARED ON A BASIS OTHER THAN GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we draw attention to note (a) 'Basis of accounting' which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### REPORTING ON OTHER INFORMATION

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

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

### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

#### Responsibilities of the Authorised Corporate Director for the financial statements

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

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Group's and Company's and each of the sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Group and Company or individual sub-fund, or has no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS PROPERTY FUNDS ICVC (CONTINUED)

### Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and Company/ industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Group or Company or the sub-funds and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment properties and the recoverability of tenant debtors.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### OTHER REQUIRED REPORTING

#### OPINION ON MATTER REQUIRED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

#### COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
4 February 2022

## GENERAL INFORMATION

Investments in Aviva Investors Property Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

The value of an investment in the funds and the revenue from it may go down as well as up, and you may not get back the original amount invested.

Where funds are invested abroad, the value of your investment may rise and fall purely on account of movement in exchange rates.

Please refer to the Key Investor Information Document (which is available on the internet at [www.avivainvestors.com](http://www.avivainvestors.com) or from the ACD on request) for a full description of the risks involved when investing in the Funds.

Any future returns and opinions expressed are those of the Investment Manager and should not be relied upon as indicating any guarantee of return from investment in the Funds.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

The value of capital and revenue will fluctuate as property values and rental income rise and fall and the value of dividends, Government and other public securities and units in collective investment schemes change.

Property valuations are a matter of opinion and all properties are valued monthly by an independent valuer. Market conditions may mean certain property valuations are not easily realisable. Investors may not be able to switch or cash in their investment when they want because property in the Fund may not be readily saleable. If this is the case, we may defer a request to cash in shares. Dealing in the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund is suspended and the Funds are in the process of being closed.

### **Publication of Prices**

Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at [www.avivainvestors.com](http://www.avivainvestors.com). Calls may be recorded for training or monitoring purposes and to comply with applicable law and regulations. Calls are free from UK landlines and mobiles.

## VALUE ASSESSMENT

Value Assessments for the Aviva Investors Property Funds can now be found at [www.avivainvestors.com/value-assessments](http://www.avivainvestors.com/value-assessments).

## REMUNERATION POLICY (UNAUDITED)

In line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), Aviva Investors UK Fund Services Limited ("AIUKFSL") is subject to a remuneration policy which is reviewed annually and is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives.

There are four components of pay:

**Basic Salary** – set within an appropriate market range, which is sufficient to allow the possibility, where performance so warrants, that an employee may receive no variable pay.

**Annual bonus** – a discretionary short-term incentive plan where individuals may receive a bonus based on business and individual performance against targets. Where bonuses are equal to or greater than £75,000, a 3 year deferral with pro-rata vesting in Aviva funds and/or Aviva Group Plc shares occurs, following this a further holding period applies where regulation requires.

The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

A rounded assessment of financial performance is made accounting for a range of financial considerations, including, but not limited to operating profit, investment performance and net flows. The assessment of Aviva Investors' financial performance is formed with reference to -:

- Actual results vs. prior period results
- Actual results vs. agreed plans
- Actual results relative to competitors
- Actual results vs., and progress towards, our long-term target ambition.

The remuneration of employees in Control Functions (defined as Risk, Compliance and Audit) is determined independently of the financial results of Aviva Investors in order to reinforce the independence of these functions.

The non-financial considerations include consideration of risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions.

The Performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

Through Aviva Investors' Global Reward Framework, all investment employees should support responsible investment and integrate ESG considerations into their investment processes, including the consideration of Sustainability Risk. ESG metrics and research are embedded in the investment process and form part of the investment scorecard and annual risk attestation. The Chief Investment Officers and investment desk heads consider how investment employees demonstrate their commitment to ESG processes as part of the determination of performance and pay outcomes.

**Long Term Incentive Awards (LTIA)** – discretionary long-term incentive plan to align reward with long-term investment performance, Aviva Group and Shareholders, and with the additional intention to help retain key talent. Part of the long-term incentive plan is in Aviva Investors Funds and part is in Aviva Restricted Share Units (RSUs), for the AI CEO the RSUs have additional performance conditions of Total Shareholder Return and Solvency II Return on Equity. Vesting is after 3 years and awards for Identified Staff will be subject to a pre-vesting assessment of individual performance, behaviours, and alignment with the company values of Aviva Investors throughout the three-year performance period.

**Benefits in Kind** – standard benefits are provided that are appropriate to the market.

Code Staff are not permitted to undertake personal hedging strategies in respect of any variable remuneration.

Aviva Investors believes in rewarding strong performance and achievement of our business and individual goals; however, the manner in which these goals are achieved is also important. We do not consider it appropriate to reward people who have engaged in inappropriate behaviour or conduct which is not in line with Aviva's values and variable pay awards are subject to the Aviva Group Malus and Clawback Policy. As such, Aviva may decide that a Deferred Award which has not vested will lapse wholly or in part if they consider that:

- the participant or their team has, in the opinion of the Directors, engaged in misconduct which ought to result in the complete or partial forfeit or repayment of their award;
- there has been, in the opinion of the Directors, a material failure of risk management by reference to Group risk management standards, policies and procedures, taking into account the proximity of the participant to the failure of risk management in question and the level of the participant's responsibility;
- there is, in the opinion of the Directors, a materially adverse misstatement of Aviva's or the participant's relevant business unit's financial statements for which the participant has some responsibility;
- the participant participated in or was responsible for conduct which resulted in significant, or potentially significant, loss(es) to their relevant business unit, Aviva or any member of the Aviva Group;
- the participant failed to meet appropriate standards of fitness and propriety;
- there is evidence of misconduct or material error that would justify, or would have justified, had the participant still been employed, summary termination of their contract of employment; or
- any other circumstances required by local regulatory obligations to which any member of the Group or business unit is subject.

The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

## REMUNERATION POLICY (UNAUDITED) (CONTINUED)

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2020, apportioned remuneration based on the time assessed to be spent on AIUKFSL AIFMD activity paid by Aviva Plc, the ultimate parent of AIUKFSL, to its senior management team, and Code Staff:

	Senior Management	Other Code Staff
Total Remuneration:	£1.4m	£1.3m
Of which, Fixed Remuneration:	31%	37%
Variable Remuneration:	63%	58%
Pension/Benefits:	6%	5%
Number of Code staff:	21	25

