

AVIVA INVESTORS PROPERTY FUNDS ICVC

Annual Report and Financial Statements

For the year ended 30 September 2018

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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
J Misselbrook (resigned 23 November 2017)
S Ebenston
D Skinner
J Leadsom
D Clayton
M Craston (appointed 1 November 2017)
G Miller (appointed 20 December 2017)

ADMINISTRATOR AND REGISTRAR

DST Financial Services Europe Ltd
DST 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.

The Investment Manager has appointed JPMorgan Asset Management Real Assets (Singapore) Pte. Ltd. to provide investment advisory services in relation to the Aviva Investors Asia Pacific Property Fund:

JPMorgan Asset Management Real Assets (Singapore) Pte. Ltd.
186 Robinson Road
17-01
Singapore 068912

DEPOSITARY

Citibank Europe plc, UK Branch
Citigroup Centre
Canada Square
Canary Wharf
London, E14 5LB

Citibank Europe plc is authorised and regulated by the Central Bank of Ireland, however, the UK branch is subject to Financial Conduct Authority (FCA) regulation.

On 1 December 2018, the Depositary, Citibank Europe plc, UK Branch, was replaced by J.P. Morgan Europe Limited. J.P. Morgan Europe Limited is registered at 25 Bank Street, Canary Wharf, London E14 5JP. J.P. Morgan Europe Limited is authorised and regulated by the Financial Conduct Authority.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison St
Edinburgh, EH3 8EB

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

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

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

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 Citibank Europe plc, UK Branch (“the Depositary”). The shareholders are not liable for any debts of the Company.

The object 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 three Funds in the Aviva Investors Property Funds ICVC; the Aviva Investors Asia Pacific Property Fund, 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 2018. 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 period. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding any Annual General Meetings.

SIGNIFICANT INFORMATION

On 27 October 2017, we updated the Prospectus to set out that if, following the closure of one of our Fund, any amount remaining after the payment of all amounts due to shareholders and the liabilities of the Fund is agreed with the Fund’s depositary to be “immaterial”, this amount will be paid to charity. We also made some changes to the way in which the charges applicable to the Funds are displayed, in order to increase clarity for investors, consistent with the way information on fund charges is displayed in the prospectuses of our other ICVCs.

The Aviva Investors Asia Pacific Property Fund suspended dealing on 20 July 2015, and is in the process of being closed. All eight of the properties that were within the Fund at the point of suspension have been sold. Throughout the closure period, the ACD has been mindful of the need to return the proceeds of investors’ investment to them (or switch them, as the case may be) as quickly as possible whilst aiming to maximise the sale price of the Fund’s properties. To date, investors have received 117.3% of the Fund’s GBP value at suspension. However, although the sales of the properties are now complete, it will still take some time for the ACD to be able to return any final proceeds due to the complex structure of the Fund. The ACD therefore does not expect to be in a position to make a further payment in respect of the termination of the Fund until second half of 2019.

The Aviva Investors European Property Fund suspended dealing on 8 December 2015 and is in the process of being closed. Of the twelve properties that were within the Fund at the point of suspension, eleven sales have been completed with one asset remaining in the Fund. The Katowice industrial facility in Poland is currently back on the market due to the withdrawal of the previous purchaser. To date, investors have received 84.45% of the Fund’s GBP value at suspension. It is important to note that until the sale of a property completes the value may be subject to change and the expected time frame for returning investors’ full investment cannot be confirmed. 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 do, however, expect to be able to make a further payment to investors in 2019.

On 11 May 2018, the Prospectus was amended to include wording setting out for investors the circumstances in which unclaimed client money will be paid to charity in accordance with the FCA’s rules.

On 24 August 2018, as permitted by the Instrument of Incorporation, the ACD issued a new Class 7 (Income) in respect of the Aviva Investors UK Property Fund. The new class has charges deducted from capital. For further details, please see the Prospectus.

On 29 October 2018 we closed share class 6 of the Aviva Investors UK Property Fund and converted investors into share class 1 of that Fund.

On 1 December 2018, the Depositary, Citibank Europe plc, UK Branch, was replaced by J.P. Morgan Europe Limited. J.P. Morgan Europe Limited is registered at 25 Bank Street, Canary Wharf, London E14 5JP. J.P. Morgan Europe Limited is authorised and regulated by the Financial Conduct Authority.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION (CONTINUED)

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.

REMUNERATION

In line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), the ACD is subject to a remuneration policy which 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: base salary; annual bonus (including deferred bonus); long term incentive plan; and benefits. Aviva believes in rewarding strong performance and the achievement of our business and individual goals; however, the manner in which these goals are achieved is also an important factor in determining outcomes. Annual bonus awards are discretionary and where bonuses are £75,000 and over a 3 year deferral with pro-rata vesting in Aviva Investors funds and/or Aviva Group plc shares occurs.

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 personal objectives, including Risk and Control objectives, as well as Aviva Investors' and the business unit performance against agreed targets, which are a combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

- The financial considerations includes the following comparisons:–
 - 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 non-financial considerations include risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions. In certain roles, adherence to Responsible Investment and ESG principles will also be a consideration.
- 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.

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 Alternative Investment Funds ("AIFs") it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

The ACD has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2017, apportioned remuneration based on the time assessed to be spent on the ACD AIFMD activity paid by Aviva Plc, the ultimate parent of the ACD, to its senior management team, and staff whose actions have a material impact on the risk profile of the ACD ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£0.4m	£0.2m
Of which, Fixed Remuneration:	35%	56%
Variable Remuneration:	58%	30%
Pension/Benefits:	7%	14%
Number of Code staff:	11	11

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 30 September 2018.

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 Aviva Investors Asia Pacific Property Fund and Aviva Investors European Property Fund at the earliest opportunity and therefore the financial statements of these Funds have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of these Funds continue to be stated at their fair values which materially equate to their realisable values. No adjustments were necessary in the Funds' financial statements to reduce assets to their realisable values. Provisions have been recognised in relation to the costs of liquidating the entities within the terminating funds and investment assets have been reclassified from Fixed Assets to Current Assets.

The UK Property Fund has been prepared on a going concern basis.

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.

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. Where legal completion of a purchase is not fully executed at the date of the balance sheet, but takes place subsequently (or, in the case of development properties purchased for development, where no work has yet taken place), the property is shown at cost unless, in the opinion of the Authorised Corporate Director ("ACD"), there may be a material difference between cost and valuation on completion. Property investments were last valued by Simon Threlfall MRICS Senior Director of CBRE Limited on 30 September 2017. Property investments for the UK Property Fund were last valued by Michael Crowe MRICS and Robert Gray FRICS, both Partners of Knight Frank LLP on 30 September 2017.

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 Property purchases and sales

Property purchases and sales are recognised on completion of the purchase or sale.

g 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.

h 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.

i 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.

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

j Cash and cash equivalents

Cash and cash equivalents include restricted cash which comprises cash deposits which have restrictions governing their use. This includes cash held by the SPVs (Special Purpose Vehicles) which cannot be moved to or used by the Fund and also cash for the distribution outlay and capital expenditure.

k 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. Arrears are written off at the discretion of the Manager.

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 Asia Pacific Property Fund and European Property Fund are both more than 60% invested in qualifying investments and have proposed an interest distribution.

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. For the purposes of the distribution, the ACD's periodic charge of the Aviva Investors Asia Pacific Property Fund is charged to capital. Where management expenses are borne by capital they are not deducted in determining the distribution. To take account of the relief obtained in respect of charging the ACD's periodic charge of the Aviva Investors Asia Pacific Property Fund to capital, a notional tax charge is deducted from the revenue account and a corresponding tax credit is added to the capital account. As both the Aviva Investors European Property Fund and Aviva Investors Asia Pacific Funds are being closed, the estimated costs of selling the properties in the Aviva Investors European Property Fund and the estimated costs for closing each Fund have been charged to capital and are included in Other creditors on page 21.

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.

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 being different to the valuer's assumptions. 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.

d 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 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. 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. As noted on page 3, dealing in both the Asia Pacific Property Fund and the European Property Fund have been suspended due to the largest investors wishing to redeem their holdings.

There are currently no special arrangements in place.

POLICIES AND RISKS (CONTINUED)

RISK MANAGEMENT POLICIES (CONTINUED)

e 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).

f 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 period.

g 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.

AVIVA INVESTORS ASIA PACIFIC PROPERTY FUND

The Fund closed on 21 August 2015, and will be terminated in due course. All the properties held within the Fund have now been sold and the remaining holding structures are being prepared for liquidation. Proceeds from the resulting sales and 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.

INVESTMENT APPROACH

To invest principally in immovable property, with an emphasis on commercial property, and/or property related transferable securities the issuers of which are domiciled in, or have significant operations or interests in, the Asia Pacific region or Australasia. The Fund may also invest in units in regulated and unregulated collective investment schemes, money market instruments, deposits, cash and near cash or 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.

In order to allow the payment of interest distributions, the Fund intends to hold at least 60% of its assets in debentures, or other permitted debt and debt instruments of subsidiaries and cash, or other such combination and proportions of assets as would enable it to make interest distributions and to facilitate efficient management of the Fund or for other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

FUND MANAGER'S REPORT

Total assets under management as at 30 September 2018 were £19.7 million.

The Fund was placed into termination on 21 August 2015, following consultation and FCA approval. All properties have accordingly now been sold from the Fund.

The Fund is in the process of liquidating the remaining entities which were incorporated to hold the properties in the respective countries, the last remaining entities of the Fund are currently in the final stages of the liquidation process.

We anticipate the final closure of the Fund in 2019 or early 2020 together with a further payment/s in 2019, however this is dependant on resolution of the underlying structures' tax clearance and closure of their final accounts – these are subject to the entities local rules, timing and regulations.

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 or sales of property during the year.

FUND MATERIAL PORTFOLIO CHANGES

There was one purchase and no sales during the year.

Purchases

Asia Pacific Investment Holdings PTE

COMPARATIVE TABLES

Class A (GBP) Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	93.25	102.23	67.84
Return before operating charges [†]	2.41	(6.37)	49.05
Operating charges	(2.99)	(2.61)	(2.43)
Return after operating charges [†]	(0.58)	(8.98)	46.62
Distributions	–	–	(12.23)
Closing net asset value per share	92.67	93.25	102.23
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(0.62)%	(8.78)%	68.72%
Other information			
Closing net asset value (£000)	8,496	8,549	19,888
Closing number of shares	9,167,535	9,167,535	19,453,739
Operating charges (%) [†]	3.22%	2.77%	3.24%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	94.26	99.22	98.43
Lowest share price	91.27	83.92	67.45

Class A (USD) Income	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	89.39	94.89	73.77
Return before operating charges [†]	0.07	(3.12)	36.07
Operating charges	(2.89)	(2.38)	(3.53)
Return after operating charges [†]	(2.82)	(5.50)	32.54
Distributions	–	–	(11.42)
Closing net asset value per share	86.57	89.39	94.89
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(3.15)%	(5.80)%	44.11%
Other information			
Closing net asset value (£000)	9	10	22
Closing number of shares	14,381	14,381	30,687
Operating charges (%) [†]	3.22%	2.77%	3.24%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	95.87	91.37	91.25
Lowest share price	84.70	75.29	72.18

Class I (GBP) Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	104.73	113.87	74.94
Return before operating charges [†]	2.72	(7.07)	55.87
Operating charges	(2.71)	(2.07)	(3.33)
Return after operating charges [†]	0.01	(9.14)	52.54
Distributions	–	–	(13.61)
Closing net asset value per share	104.74	104.73	113.87
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	0.01%	–	70.11%
Other information			
Closing net asset value (£000)	924	924	2,130
Closing number of shares	882,327	882,327	1,870,236
Operating charges (%) [†]	2.59%	1.97%	2.44%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	105.88	110.56	109.61
Lowest share price	102.91	93.63	74.52

Class A (GBP) Accumulation	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	144.79	156.44	94.45
Return before operating charges [†]	3.76	(7.63)	71.01
Operating charges	(4.65)	(4.02)	(5.59)
Return after operating charges [†]	(0.89)	(11.65)	65.42
Distributions	–	–	(17.13)
Retained distributions on accumulation shares	–	–	13.70
Closing net asset value per share	143.90	144.79	156.44
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(0.61)%	(7.45)%	65.63%
Other information			
Closing net asset value (£000)	9,944	10,012	22,953
Closing number of shares	6,910,396	6,914,672	14,671,813
Operating charges (%) [†]	3.22%	1.97%	3.24%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	146.37	149.28	138.51
Lowest share price	141.72	130.30	93.83

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	526.65	583.12	410.84
Return before operating charges [†]	10.54	(41.65)	196.01
Operating charges	(16.86)	(14.82)	(10.91)
Return after operating charges [†]	(6.32)	(56.47)	185.10
Distributions	–	–	(64.10)
Retained distributions on accumulation shares	–	–	51.28
Closing net asset value per share	520.33	526.65	583.12
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(1.20)%	(9.68)%	45.05%
Other information			
Closing net asset value (£000)	63	63	146
Closing number of shares	13,582	13,582	29,091
Operating charges (%) [†]	3.22%	2.77%	3.24%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	540.59	568.35	512.46
Lowest share price	510.44	493.10	408.14

Class A (USD) Accumulation	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	454.09	475.21	336.30
Return before operating charges [†]	0.39	(9.18)	157.34
Operating charges	(14.65)	(11.94)	(7.96)
Return after operating charges [†]	(14.26)	(21.12)	149.38
Distributions	–	–	(52.32)
Retained distributions on accumulation shares	–	–	41.85
Closing net asset value per share	439.83	454.09	475.21
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(3.14)%	(4.44)%	41.31%
Other information			
Closing net asset value (£000)	89	89	206
Closing number of shares	26,314	26,314	56,153
Operating charges (%) [†]	3.22%	2.77%	3.24%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	487.09	464.15	420.40
Lowest share price	430.34	382.50	329.02

Class I (GBP) Accumulation	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	168.22	180.30	107.98
Return before operating charges [†]	4.37	(8.78)	81.09
Operating charges	(4.35)	(3.30)	(4.83)
Return after operating charges [†]	0.02	(12.08)	76.26
Distributions	–	–	(19.71)
Retained distributions on accumulation shares	–	–	15.77
Closing net asset value per share	168.24	168.22	180.30
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	0.01%	(6.70)%	70.62%
Other information			
Closing net asset value (£000)	213	206	470
Closing number of shares	126,442	122,765	260,467
Operating charges (%) [†]	2.59%	1.97%	2.44%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	170.07	172.63	159.61
Lowest share price	165.30	150.39	107.26

‡ 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 periods 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 period 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 published accounts and may be different due to post year end accounting adjustments.

With effect from 21 July 2015, the Fund has issued bid prices only.

Ongoing Charges Figure*

Share class	30.09.18	30.09.17
Class A (GBP)	2.80%	2.77%
Class A (EUR)	2.80%	2.77%
Class A (USD)	2.80%	2.77%
Class I (GBP)	2.50%	1.97%

* 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.

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Direct properties 0.00% (0.00%)				
Total direct properties			–	–
Liquidity Funds 0.02% (0.02%)¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	2,972	3	0.02
Liquidity Funds total			3	0.02
Investment assets ²			3	0.02
Net other assets			19,735	99.98
Net assets			19,738	100.00

The comparative percentage figures in brackets are as at 30 September 2017.

[†] Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

FUND PORTFOLIO STATEMENT

As at 30 September 2018

Investment		Currency	Holding	Market Value £000	% of Net Assets
Luxembourg 10.47% (8.71%)					
Asia Pacific Investment Holdings SARL	§	GBP	7	2,066	10.47
Luxembourg total				2,066	10.47
New Zealand 16.95% (11.15%)					
Shore Profit Participating Loan	§	NZD	24,787,922	3,346	16.95
New Zealand total				3,346	16.95
Singapore 66.91% (63.70%)					
Asia Pacific Investment Holdings Pte Ltd	§	GBP	59,795	13,207	66.91
Singapore total				13,207	66.91
Liquidity Funds 0.02% (0.02%)¹					
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]		GBP	2,972	3	0.02
Ireland total				3	0.02
Investment assets ²				18,622	94.35
Net other assets				1,116	5.65
Net assets				19,738	100.00

The comparative percentage figures in brackets are as at 30 September 2017.

§ All holdings are unquoted securities.

† Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2018

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Income					
Net capital gains	2	345	110	288	110
Revenue	3	19	(573)	–	(2,754)
Expenses	4	(1,022)	(1,929)	(402)	(659)
Net expense before taxation		(1,003)	(2,502)	(402)	(3,413)
Taxation	5	543	(750)	(1)	161
Net expense after taxation		(460)	(3,252)	(403)	(3,252)
Total (expense)/return before distributions		115	(3,142)	(115)	(3,142)
Distributions	6	–	–	–	–
Change in net assets attributable to shareholders from investment activities		(115)	(3,142)	(115)	(3,142)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2018

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Opening net assets attributable to shareholders	19,853	45,815	19,853	45,815
Movements due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares	–	(22,820)	–	(22,820)
	–	(22,820)	–	(22,820)
Change in net assets attributable to shareholders from investment activities (see above)	(115)	(3,142)	(115)	(3,142)
Closing net assets attributable to shareholders	19,738	19,853	19,738	19,853

BALANCE SHEET

As at 30 September 2018

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
Current assets:					
Investments available for sale		–	–	18,619	16,591
Debtors	8	28	25	–	2,035
Cash and bank balances	9	20,492	21,904	1,484	1,968
Cash equivalents	10	3	3	3	3
Total other assets		20,523	21,932	1,487	4,006
Total assets		20,523	21,932	20,106	20,597
Liabilities:					
Creditors:					
Distribution payable		(238)	(258)	(238)	(258)
Other creditors	11	(547)	(1,821)	(130)	(486)
Total liabilities		(785)	(2,079)	(368)	(744)
Net assets attributable to shareholders		19,738	19,853	19,738	19,853

CASH FLOW STATEMENT

For the year ended 30 September 2018

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Net cash (outflow)/inflow from operating activities	14	(327)	2,753	2,326	3,279
Servicing of finance					
Distributions paid		–	(1,925)	–	(1,925)
		–	(1,925)	–	(1,925)
Taxation					
Taxation paid		(1)	(1,789)	(21)	(956)
		(1)	(1,789)	(21)	(956)
Financial investments					
Purchases of investments		–	–	(3,297)	–
Sales of investments		–	1,124	576	20,358
Fees paid from capital		(330)	(581)	(330)	(581)
		(330)	543	(3,051)	19,777
Financing					
Amounts paid on cancellation of shares		–	(22,820)	–	(22,820)
Exchange rate movement		(754)	(153)	262	(744)
		(754)	(22,973)	262	(23,564)
Decrease in cash in the year	13	(1,412)	(23,391)	(484)	(3,389)
Net cash at the start of the year	13	21,907	45,298	1,971	5,360
Net cash at the end of the year	13	20,495	21,907	1,487	1,971

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 to 8 for accounting basis and policies.

2 Net capital gains

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
The net capital gains on investments during the year comprise:				
Currency losses on other capital items	(209)	(223)	(209)	(223)
Non-derivative securities gains	–	–	497	363
Notional dealing costs	–	(30)	–	(30)
Change in Fair Value – Investment asset	554	363	–	–
Net capital gains*	345	110	288	110

* Total realised losses for the year were £23,013,314 (2017: gains £13,528,150) and the movement in unrealised gains was £23,358,153 (2017: losses £13,417,536). Included in realised gains/(losses) for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Bank and deposit interest	19	225	–	5
Interest on debt securities	–	–	–	(2,759)
Other income	–	(170)	–	–
Rental revenue	–	(628)	–	–
Total revenue	19	(573)	–	(2,754)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Payable to the Authorised Corporate Director, associates of the ACD or agents of either of them:				
ACD's periodic charge/Fund Management Fee*	334	554	334	554
Registration fees	(15)	36	(15)	36
	319	590	319	590
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	51	14	51	14
Interest payable	266	14	7	5
	317	28	58	19
Other expenses				
Administrative expenses	69	74	–	–
Audit fee**	65	133	21	43
Legal & Professional fees	45	80	–	–
Other fees	201	67	–	–
Other property operating expenses	2	947	–	–
Printing & postage expenses	–	2	–	2
Property management fees	–	3	–	–
Statement fees	4	5	4	5
	386	1,311	25	50
Total expenses	1,022	1,929	402	659

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

** The audit fee was £45,076 (2017: £111,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Overseas tax (written back)/suffered	(544)	750	–	(161)
Prior year adjustments	1	–	1	–
Total tax for year (see note 5b)	(543)	750	1	(161)

b Factors affecting current tax charge

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Net expense before taxation	(1,003)	(2,502)	(402)	(3,413)
Corporation tax at 20%	(201)	(500)	(80)	(683)
Effects of:			–	
Movement in excess expenses	201	838	80	727
Overseas tax (written back)/suffered	(544)	750	–	(161)
Prior year adjustment	1	–	1	–
Tax deductible interest distributions	–	(338)	–	(44)
	(342)	1,250	81	522
Total tax for the year (see note 5a)	(543)	750	1	(161)

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 (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:				
Gross interest distribution for the six months ended 31 March	-	-	-	-
Gross interest distribution for the six months ended 30 September	-	-	-	-
Distributions	-	-	-	-
Reconciliation of distributions for the year to net revenue after taxation				
Distributions for the year	-	-	-	-
ACD periodic charge borne by the capital account	(334)	(554)	(334)	(554)
Net expense recoverable/(payable) from capital	126	(2,698)	(69)	(2,698)
Net expense after taxation	(460)	(3,252)	(403)	(3,252)

Details of the distributions per share are set out in the distribution tables on page 26.

7 Fair value hierarchy

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.18 Assets £000	As at 30.09.17 Liabilities £000	As at 30.09.18 Assets £000	As at 30.09.17 Liabilities £000
Level 2: Observable market data	3	3	3	3
Level 3: Unobservable data	-	-	18,619	16,591
Total value	3	3	18,622	16,594

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)

8 Debtors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Accrued revenue	–	–	–
Other debtors	–	8	–	–
Prepaid expenses	23	13	–	4
VAT recoverable	5	4	–	–
Total debtors	28	25	–	2,035

9 Cash and bank balances

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Cash and bank balances	20,492	21,904	1,484

10 Cash equivalents

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	3	3	3

11 Other creditors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Accrued expenses	90	209	27
Income tax payable	–	264	–	–
Other creditors	269	109	–	–
Purchases awaiting settlement	–	274	–	274
Withholding tax payable	188	965	103	109
Total other creditors	547	1,821	130	486

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

13 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors Asia Pacific Property Fund £000
Cash and cash equivalents:		
As at 30.09.17	21,907	1,971
Cash flows	(1,412)	(484)
As at 30.09.18	20,495	1,487

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

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Net expense before taxation	(1,003)	(2,502)	(402)	(3,413)
Add: ACD fees paid from capital	330	581	330	581
Add: Amortisation charged on intra-group loan	–	–	–	(224)
(Increase)/decrease in debtors (excluding capital items)	(3)	5,791	2,035	6,352
Increase/(decrease) in creditors (excluding capital items)	349	(1,117)	363	(17)
Net cash (outflow)/inflow from operating activities	(327)	2,753	2,326	3,279

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.

ACD periodic charges/Fund Management Fee and registration fees paid to 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/Fund Management Fee was £26,532 (2017: £25,377) and registration fees was £nil (2017: £29,798). 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 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2017: £nil). The amount outstanding at the year end was £nil (2017: £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 (2017: £nil) and £nil (2017: £nil) respectively. The income received during the year amounted to £12 (2017: £7).

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

	Holdings at 30.09.18 (shares)	Movement (shares)	Holdings at 30.09.17 (shares)
ACD and related parties (share class A (GBP) income)	6,223,760	–	6,223,760
ACD and related parties (share class I (GBP) income)	91,503	91,503	–
ACD and related parties (share class A (GBP) accumulation)	6,831,267	–	6,831,267
ACD and related parties (share class A (EUR) accumulation)	192	–	192
ACD and related parties (share class I (GBP) accumulation)	6,388	6,388	–

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

Class A: 1.98%

Class I: 1.68%

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 10 and 11. The distributions per share class are given in the distribution tables on page 26. All the share classes have the same rights on winding up.

17 Shares in issue reconciliation

	Number of shares in issue at 30.09.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.18
Share class A (GBP) income	9,167,535	–	–	–	9,167,535
Share class A (USD) income	14,381	–	–	–	14,381
Share class I (GBP) income	882,327	–	–	–	882,327
Share class A (GBP) accumulation	6,914,672	–	–	(4,276)	6,910,396
Share class A (EUR) accumulation	13,582	–	–	–	13,582
Share class A (USD) accumulation	26,314	–	–	–	26,314
Share class I (GBP) accumulation	122,765	–	–	3,677	126,442

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 (2017: £nil).

Currency risk

At the year end date, 23.17% (2017: 22.97%) 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 sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Company would change by 2.28% (2017: 2.30%).

At the year end date, 23.17% (2017: 22.97%) 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 sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Fund would change by 2.28% (2017: 2.30%).

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors Asia Pacific Property Fund		
	Non monetary exposure £000	Monetary exposure £000	Total £000	Non monetary exposure £000	Monetary exposure £000	Total £000
	30.09.18	30.09.18	30.09.18	30.09.18	30.09.18	30.09.18
Australian Dollar	–	6	6	–	6	6
Euro	–	1,205	1,205	–	1,205	1,205
New Zealand Dollar	–	3,346	3,346	3,346	–	3,346
US Dollar	–	17	17	–	17	17

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors Asia Pacific Property Fund		
	Non monetary exposure £000	Monetary exposure £000	Total £000	Non monetary exposure £000	Monetary exposure £000	Total £000
	30.09.17	30.09.17	30.09.17	30.09.17	30.09.17	30.09.17
Australian Dollar	–	6	6	–	6	6
Euro	–	925	925	–	924	924
New Zealand Dollar	–	3,613	3,613	1,730	1,883	3,613
US Dollar	–	16	16	–	16	16

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 99.97% (2017: 110.35%) of the net assets of the Company were interest bearing. At the year end date 24.49% (2017: 18.64%) 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 financial assets and liabilities at 30 September 2018 was:

Currency	Consolidated				Aviva Investors Asia Pacific Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	19,097	–	–	19,097	259	–	15,273	15,532
Australian Dollar	6	–	–	6	6	–	–	6
Euro	1,205	–	–	1,205	1,205	–	–	1,205
New Zealand Dollar	3,341	–	5	3,346	3,346	–	–	3,346
US Dollar	17	–	–	17	17	–	–	17
Financial Liabilities								
Sterling	(3,933)	–	–	(3,933)	–	–	(368)	(368)
Total	19,733	–	5	19,738	4,833	–	14,905	19,738

The interest rate profile of the financial assets and liabilities at 30 September 2017 was:

Currency	Consolidated				Aviva Investors Asia Pacific Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	16,561	–	4	16,565	751	–	15,013	15,764
Australian Dollar	6	–	–	6	6	–	–	6
Euro	1,198	–	–	1,198	1,198	–	–	1,198
New Zealand Dollar	4,127	–	–	4,127	1,730	–	1,883	3,613
US Dollar	16	–	–	16	16	–	–	16
Financial Liabilities								
Euro	–	–	(274)	(274)	–	–	(274)	(274)
New Zealand Dollar	–	–	(514)	(514)	–	–	–	–
Sterling	–	–	(1,271)	(1,271)	–	–	(470)	(470)
Total	21,908	–	(2,055)	19,853	3,701	–	16,152	19,853

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 Depository'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, 0.02% (2017: 0.02%) 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% (2017: nil%).

At the year end date, 0.02% (2017: 0.02%) 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% (2017: nil%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2018 (2017: £nil). The total purchases for the year amounted to £280,781 (2017: £nil) and the total sales amounted to £nil (2017: £20,358,181).

20 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2018

Income shares		Gross revenue	Equalisation	Final distribution payable 30 November 2018	Final distribution paid 30 November 2017
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 30 November 2018	Final distribution paid 30 November 2017
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2018.

Interim distribution paid in pence/cents per share for the six months ended 31 March 2018

Income shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2018	Interim distribution paid 31 May 2017
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2018	Interim distribution paid 31 May 2017
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2017.

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 EUROPEAN PROPERTY FUND

The Fund closed on 21 August 2015, and will be terminated in due course. There is one remaining property held within the Fund which is in the process of being sold and the remaining holding structures are being prepared for liquidation. Proceeds from the resulting sales and 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.

In order to allow the payment of interest distributions, the Fund intends to hold at least 60% of its assets in debentures, or other permitted debt and debt instruments of subsidiaries and cash, or such other combination and proportions of assets as would enable it to make interest distributions and to facilitate efficient management of the Fund or for other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

FUND MANAGER'S REPORT

Total assets under management as at 30 September 2018 were £43.2 million.

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

As at 30 September 2018, eleven of the Fund's twelve holdings have been disposed of, with one asset remaining within the Fund. The Katowice industrial facility in Poland is currently back on the market due to the withdrawal of the previous purchaser.

Where assets have been sold the holding structures are being prepared for or are in the process of being liquidated. To date, three of the Fund's holding structures have been closed, with eight holding structures remaining. 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 the case may be) as quickly as possible and expect to be in a position to make another payment in Q1 2019.

Due to the complex nature and numerous regions of the underlying legal structures, we are not yet in a position where a date can be given with any certainty on the final closure of the Fund. Whilst we are making good progress on the wind up of the underlying legal structures, their resolution is dependant on the underlying structures' tax clearance and closure of their final accounts – these are subject to the entities local rules, timing and regulations. Although the final asset is yet to be sold this is unlikely to impact the overall Fund closure timescale it is expected to be structured as a corporate sale and which will not, therefore, require the liquidation process.

REAL ESTATE MARKET REVIEW AND OUTLOOK

Recent market movements

Economic growth in the Eurozone has slowed markedly in the first three quarters of 2018. GDP growth fell to a rate of 0.2% in Quarter 3 2018 (Q3), its lowest in four years. The growth figures are weaker than expected, and it is now looking unlikely that the Eurozone will reach the European Central Bank's (ECB) growth target of 2% for 2018. The good news is that many factors contributing to the low growth this quarter are unlikely to persist however. Headline inflation is at target and although core inflation remains stubbornly low, the ECB has been encouraged by the upward movement in wages across the Eurozone. This should feed through to inflation in the coming months.

The latest PMI readings continue to indicate a slowdown from the boom-like pace of growth witnessed in 2017. Momentum in the more cyclical manufacturing indices are slightly concerning and this has broadened-out to the service sector. The slowdown is being led by a drop in exports as uncertainty surrounding the US-China trade wars and tariffs loom. The ECB remains relaxed about its monetary policy tightening timetable. These loose monetary conditions continue to boost demand for real estate, with all-sector investment volumes for Europe (excluding the UK) totalling €50.7bn at Q3 (CBRE). The all-sector EU-15 yield compressed by 3bps q/q in Q3, to 3.75%. (CBRE).

Offices

Prime European office markets continue to see robust improvements in occupier demand. Though development in some markets has been increasing, the vacancy rate continues its downward trend (falling to 7.1% for EU-15 in Q3 – the lowest level since 2007) combined with an acceleration in rental growth (+4.1% y/y). Investor demand for continental European office property remains robust, with office transactional volumes up

AVIVA INVESTORS EUROPEAN PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

1% on a year ago. Investor appetite continues to be driven by favourable relative pricing and strong market fundamentals. According to CBRE, prime average EU-15 office yields remained stable at 3.75% in Q3.

Retail

European prime retail markets remain healthy, benefiting from the increase in domestic demand and consumer spending. Prime high street rental growth in EU-15 slowed in Q3 to 1.5%. This follows a period of very robust growth however. Investment transaction volumes for Europe (ex-UK) were up 3% in Q3 compared to a year ago. Meanwhile prime retail assets enjoy high demand, as reflected by yields in this segment, which now stand at a record low of 3.3% in Q3, as reported by CBRE.

Industrial

The Markit Manufacturing PMI recorded its slowest rise in output since August 2016. Recent months have seen a clear loss in momentum in output and new order gains, and this is expected to continue into the fourth quarter. Business confidence is also at a two-year low and companies are clearly not expecting any imminent turn-around in demand. But despite this backdrop, occupier demand for prime industrial space has remained firm. As such, average prime industrial rents in EU-15 grew by 1.6% y/y in Q3. This marks a slight slowdown compared to previous quarters but is robust relative to historical norms. Meanwhile, investment demand remained strong as the wide yield spread to retail and offices enticed yield-hungry investors to this sector. Investment volumes YTD decreased 20% compared to a year ago due to a reduction in the volume of platform deals. Prime EU-15 yields compressed 25bps over the quarter to 5.3% in Q3.

Summary

The ECB has not changed its stance on monetary policy. The bank says a rate hike is unlikely until September 2019 – any rise in yields will be gradual. We expect real estate to reprice in 2019 in line with bonds, with a moderate decompression of about five basis points expected across most markets.

The development pipeline is becoming an increasing concern in some central European markets. After a prolonged lull following the financial crisis, development is increasing rapidly in some central European cities such as Budapest, Prague and Warsaw, which may struggle to absorb the extra capacity. In the retail sector, structural changes will continue to result in the polarisation of prime and secondary retail in some European markets.

Investors should adopt an income-oriented approach to mitigate risks as the end of the cycle approaches. We recommend focusing on improving or creating income growth by seeking opportunities to actively manage, reposition and develop assets in strong locations. Debt is currently likely to offer better risk-adjusted returns than equity as it will shield investors from the impact of expected capital declines. It should be stressed that while few markets now offer good value on a risk-adjusted basis, the relative pricing of real estate remains attractive in a historic context, with the risk premium still relatively high.

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 and 2 sales of property during the year.

Sales

Birsta Syd Retail Warehousing Scheme, Sundsvall, Sweden

Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR

FUND MATERIAL PORTFOLIO CHANGES

There were no purchases and 5 sales during the year.

Sales

Galileo Financing Perpetual

Sundsvall Financing ZCP Perpetual

Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR

Tres Cantos Financing ZCP Perpetual

European Property Holdings SARL

COMPARATIVE TABLES

Class A (GBP) Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	103.98	106.71	98.82
Return before operating charges [†]	(7.30)	2.31	13.54
Operating charges	(5.09)	(3.74)	(3.36)
Return after operating charges [†]	(12.39)	(1.43)	10.18
Distributions	–	(1.30)	(2.29)
Closing net asset value per share	91.59	103.98	106.71
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(11.92)%	(1.34)%	10.30%
Other information			
Closing net asset value (£000)	402	645	1,650
Closing number of shares	439,336	620,752	1,545,967
Operating charges (%) [†]	5.27%	3.54%	3.34%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	105.58	110.81	109.44
Lowest share price	89.64	100.17	93.63

Class A (EUR) Income	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	100.79	106.00	114.59
Return before operating charges [†]	(7.61)	(0.27)	(1.43)
Operating charges	(4.92)	(3.67)	(4.73)
Return after operating charges [†]	(12.53)	(3.94)	(6.16)
Distributions	–	(1.27)	(2.43)
Closing net asset value per share	88.26	100.79	106.00
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(12.43)%	(3.72)%	(5.38)%
Other information			
Closing net asset value (£000)	12	19	48
Closing number of shares	14,985	21,184	52,513
Operating charges (%) [†]	5.27%	3.54%	3.34%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	100.83	106.99	121.18
Lowest share price	87.10	101.68	103.96

Class R (GBP) Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	103.36	106.08	98.23
Return before operating charges [†]	(7.26)	2.29	13.47
Operating charges	(5.06)	(3.72)	(3.34)
Return after operating charges [†]	(12.32)	(1.43)	10.13
Distributions	–	(1.29)	(2.28)
Closing net asset value per share	91.04	103.36	106.08
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(11.92)%	(1.35)%	10.31%
Other information			
Closing net asset value (£000)	2,422	3,884	9,928
Closing number of shares	2,659,882	3,758,240	9,359,972
Operating charges (%) [†]	5.27%	3.54%	3.34%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	104.95	110.15	108.78
Lowest share price	89.10	99.57	93.07

Class I (GBP) Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	103.28	106.28	98.45
Return before operating charges [†]	(7.28)	2.30	13.54
Operating charges	(4.49)	(2.94)	(2.60)
Return after operating charges [†]	(11.77)	(0.64)	10.94
Distributions	–	(2.36)	(3.11)
Closing net asset value per share	91.55	103.28	106.28
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(11.40)%	(0.60)%	11.11%
Other information			
Closing net asset value (£000)	24,231	38,641	99,025
Closing number of shares	26,479,378	37,412,629	93,173,008
Operating charges (%) [†]	4.66%	2.79%	2.59%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	104.89	110.57	109.23
Lowest share price	89.50	100.17	93.38

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	136.03	141.29	150.12
Return before operating charges [†]	(10.47)	(0.35)	(2.59)
Operating charges	(6.65)	(4.91)	(6.24)
Return after operating charges [†]	(17.12)	(5.26)	(8.83)
Distributions	–	(1.70)	(3.16)
Retained distributions on accumulation shares	–	1.70	3.16
Closing net asset value per share	118.91	136.03	141.29
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(12.59)%	(3.72)%	(5.88)%
Other information			
Closing net asset value (£000)	1,935	3,111	7,816
Closing number of shares	1,832,335	2,590,352	6,421,550
Operating charges (%) [†]	5.27%	3.54%	3.34%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	137.08	142.64	158.44
Lowest share price	117.36	136.27	137.94

Class A (USD) Accumulation	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	289.00	283.70	302.80
Return before operating charges [†]	(27.09)	15.04	(5.27)
Operating charges	(14.24)	(9.74)	(13.83)
Return after operating charges [†]	(41.33)	5.30	(19.10)
Distributions	–	(3.44)	(6.45)
Retained distributions on accumulation shares	–	3.44	6.45
Closing net asset value per share	247.67	289.00	283.70
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.30)%	1.87%	(6.31)%
Other information			
Closing net asset value (£000)	36	59	147
Closing number of shares	19,174	27,088	67,005
Operating charges (%) [†]	5.27%	3.54%	3.34%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	294.09	297.13	324.21
Lowest share price	239.53	259.37	276.94

Class I (EUR) Accumulation	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	146.08	150.58	159.04
Return before operating charges [†]	(11.31)	(0.37)	(3.32)
Operating charges	(6.33)	(4.13)	(5.14)
Return after operating charges [†]	(17.64)	(4.50)	(8.46)
Distributions	–	(3.33)	(4.56)
Retained distributions on accumulation shares	–	3.33	4.56
Closing net asset value per share	128.44	146.08	150.58
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(12.08)%	(2.99)%	(5.32)%
Other information			
Closing net asset value (£000)	14,132	22,586	56,316
Closing number of shares	12,390,492	17,515,984	43,417,053
Operating charges (%) [†]	4.66%	2.79%	2.59%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	147.22	152.23	160.04
Lowest share price	126.73	145.79	146.95

‡ 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 periods 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 period 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 published accounts and may be different due to post year end accounting adjustments.

With effect from 8 December 2015, the Fund has issued bid prices only.

Ongoing Charges Figure*

Share class	30.09.18	30.09.17
Class A (GBP)	5.68%	3.54%
Class A (EUR)	5.68%	3.54%
Class A (USD)	5.68%	3.54%
Class R (GBP)	5.68%	3.54%
Class I (GBP)	5.43%	2.79%
Class I (EUR)	5.43%	2.79%

* 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.

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Direct Properties 26.18% (33.06%)				
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 between £7,500,000 and £10,000,000 0.00% (0.00%)				
Market value over £10,000,000 25.70% (33.06%)				
Poland Rockwell Automation, ul.Roździeńska 49, Katowice, Poland				
Total market value over £10,000,000			11,304	26.18
Total direct properties			11,304	26.18
Liquidity funds 0.00% (4.29%)				
Investment assets			11,304	26.18
Net other assets			31,866	73.82
Net assets			43,170	100.00

The comparative percentage figures in brackets are as at 30 September 2017.

FUND PORTFOLIO STATEMENT

As at 30 September 2018

Investment		Currency	Holding	Market Value €000	% of Net Assets
France 5.61% (15.47%)					
Galileo Financing Perpetual	§	EUR	6,882,410	2,422	5.61
France total				2,422	5.61
Germany 52.78% (29.71%)					
Gretlade Financing ZCP Perpetual	§	EUR	36,023	51	0.12
Hochst Equity ZCP	§	EUR	999,400	646	1.50
Hochst Holding Perpetual	§	EUR	4,941,656	4,685	10.85
Megaron B Equity ZCP Perpetual	§	EUR	1,092,750	976	2.26
Megaron B Financing Perpetual	§	EUR	200,000	179	0.41
Megaron B Holding	§	EUR	6,154,340	9,310	21.57
Munich Financing	§	EUR	15,704,042	1,360	3.15
Salzgitter Financing Perpetual	§	EUR	3,752,838	3,320	7.69
Salzgitter Holding 12/06/2020	§	EUR	9,086,543	2,256	5.23
Germany total				22,783	52.78
Luxembourg 2.03% (13.94%)					
European Property Holdings SARL	§	EUR	49,402	877	2.03
Luxembourg total				877	2.03
Poland 28.56% (13.83%)					
Katowice Equity ZCP Perpetual	§	EUR	531,525	485	1.13
Katowice Financing	§	EUR	6,150,558	8,057	18.66
Katowice Holding ZCP Perpetual	§	EUR	2,297,060	3,785	8.77
Poland total				12,327	28.56
Spain 0.02% (4.06%)					
Tres Cantos Financing ZCP Perpetual	§	EUR	6,430,962	8	0.02
Spain total				8	0.02
Sweden 4.64% (16.57%)					
Kista Financing Perpetual	§	SEK	24,669,672	1,960	4.54
Sundsvall Financing ZCP Perpetual	§	SEK	51,495,682	43	0.10
Sweden total				2,003	4.64
Liquidity Funds 0.00% (4.29%)¹					
Investment assets				40,420	93.74
Net other assets				2,750	6.26
Net assets				43,170	100.00

The comparative percentage figures in brackets are as at 30 September 2017.

§ All holdings are unquoted securities.

¹ Cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2018

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Income					
Net capital losses	2	(4,341)	(1,219)	(6,112)	(1,219)
Revenue	3	2,280	9,595	7	1,556
Expenses	4	(4,034)	(7,672)	(684)	(1,459)
Net (expense)/revenue before taxation		(1,754)	1,923	(677)	97
Taxation	5	(733)	(1,743)	(39)	83
Net (expense)/revenue after taxation		(2,487)	180	(716)	180
Total (expense)/revenue before distributions		(6,828)	(1,039)	(6,828)	(1,039)
Distributions	6	–	(2,146)	–	(2,146)
Change in net assets attributable to shareholders from investment activities		(6,828)	(3,185)	(6,828)	(3,185)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2018

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Opening net assets attributable to shareholders	68,945	174,930	68,945	174,930
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares	(18,947)	(103,551)	(18,947)	(103,551)
	(18,947)	(103,551)	(18,947)	(103,551)
Change in net assets attributable to shareholders from investment activities (see above)	(6,828)	(3,185)	(6,828)	(3,185)
Retained distribution on accumulation shares	–	751	–	751
Closing net assets attributable to shareholders	43,170	68,945	43,170	68,945

BALANCE SHEET

As at 30 September 2018

	Notes	Consolidated		Aviva Investors European Property Fund	
		As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
Current assets:					
Investments available for sale		11,304	22,795	40,420	64,514
Debtors	8	1,293	3,506	43	291
Cash and bank balances	9	33,283	44,746	2,767	1,816
Cash equivalents	10	–	2,959	–	2,959
Total other assets		34,576	51,211	2,810	5,066
Total assets		45,880	74,006	43,230	69,580
Liabilities:					
Creditors:					
Distribution payable		–	(478)	–	(478)
Other creditors	11	(2,710)	(4,583)	(60)	(157)
Total liabilities		(2,710)	(5,061)	(60)	(635)
Net assets attributable to shareholders		43,170	68,945	43,170	68,945

CASH FLOW STATEMENT

For the year ended 30 September 2018

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Net cash inflow/(outflow) from operating activities	14	138	5,595	(333)	15,609
Servicing of finance					
Distributions paid		–	(1,619)	–	(1,619)
		–	(1,619)	–	(1,619)
Taxation					
Taxation paid		(587)	(3,015)	(39)	(228)
		(587)	(3,015)	(39)	(228)
Financial investments					
Purchases of investments		–	–	–	–
Sales of investments		6,165	121,897	18,473	80,547
Miscellaneous charges		–	(4)	–	(4)
		6,165	121,893	18,473	80,543
Financing					
Amounts paid on cancellation of shares		(18,947)	(103,551)	(18,947)	(103,551)
Exchange rate movement		(1,191)	(3,912)	(1,162)	(1,425)
		(20,138)	(107,463)	(20,109)	(104,976)
(Decrease)/increase in cash in the year	13	(14,422)	15,391	(2,008)	(10,671)
Net cash at the start of the year	13	47,705	32,314	4,775	15,446
Net cash at the end of the year	13	33,283	47,705	2,767	4,775

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 to 8 for accounting basis and policies.

2 Net capital losses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
The net capital losses on investments during the year comprise:				
Currency gains/(losses) on other capital items	25	(177)	25	(177)
Direct property losses	(4,629)	(1,826)	-	-
Expenses relating to the purchase and sale of investments	-	(1)	-	(1)
Non-derivative securities gains/(losses)	263	785	(6,137)	(1,041)
Net capital losses*	(4,341)	(1,219)	(6,112)	(1,219)

* Total realised losses for the year were £39,823,935 (2017: gains £18,063,762) and the movement in unrealised gains was £35,483,041 (2017: losses £19,281,954). Included in realised gains/(losses) for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Bank and deposit interest	(60)	(47)	7	5
Interest on debt securities	-	-	-	1,551
Other income	-	22	-	-
Rental revenue	2,340	9,620	-	-
Total revenue	2,280	9,595	7	1,556

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:				
ACD's periodic charge/Fund Management Fee*	579	1,098	579	1,098
Registration fees	37	132	37	132
	616	1,230	616	1,230
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	24	53	24	53
Interest payable	104	98	–	34
Safe custody fee	–	1	–	1
	128	152	24	88
Other expenses:				
Administrative expenses	528	681	–	–
Audit fee**	244	287	26	30
Electricity	32	167	–	–
Insurance	36	170	–	–
Legal & Professional fees	340	459	–	70
Maintenance costs	83	756	–	–
Other expenses	–	40	16	23
Other fees	1,334	1,065	–	–
Other property operating expenses	(16)	1,041	–	–
Printing & postage expenses	(2)	12	(2)	12
Property management fees	149	505	–	–
Property taxes	562	1,084	–	–
Statement fees	4	–	4	6
Water rates	(4)	23	–	–
	3,394	6,290	44	141
Total expenses	4,034	7,672	684	1,459

* From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

**The audit fee was £101,289 (2017: £239,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Overseas tax refund	–	–	–	(83)
Overseas tax suffered	691	1,754	(3)	–
Prior period adjustments	42	–	42	–
Total current tax for year (see note 5b)	733	1,754	39	(83)
Deferred tax	–	(11)	–	–
Total deferred tax for year (see note 5c)	–	(11)	–	–
Total tax for the year	733	1,743	39	(83)

b Factors affecting current tax charge

The tax assessed for the year is higher (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund 20% (2017: 20%).

The differences are explained below:

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Net (expense)/revenue before taxation	(1,754)	1,923	(677)	97
Corporation tax at 20%	(351)	385	(135)	19
Effects of:				
Expenses not deductible for tax purposes	–	14	–	14
Overseas tax refund	–	(83)	(3)	(83)
Overseas tax suffered	691	1,660	–	–
Prior year adjustment	42	–	42	–
Tax deductible interest distributions	351	(399)	135	(33)
	1,084	1,192	174	(102)
Total tax for the year (see note 5a)	733	1,577	39	(83)

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

c Deferred tax

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
The deferred tax asset is made up as follows:				
Provision at start of year	–	11	–	–
Charge for the year (see note 5a)	–	(11)	–	–
Provision at end of year	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:				
Gross interest distribution for the six months ended 31 March	–	1,290	–	1,290
Gross interest distribution for the six months ended 30 September	–	762	–	762
	–	2,052	–	2,052
Prior year tax adjustment	–	94	–	94
Distributions	–	2,146	–	2,146
Reconciliation of distributions for the year to net revenue after taxation				
Distributions for the year	–	2,146	–	2,146
Net expense payable from capital	(2,487)	(1,962)	(716)	(1,962)
Other expenses borne by the capital account	–	(4)	–	(4)
Net (expense)/revenue after taxation	(2,487)	180	(716)	180

Details of the distributions per share are set out in the distribution tables on pages 45 and 46.

7 Fair value hierarchy

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.18 Assets £000	As at 30.09.17 Assets £000	As at 30.09.18 Assets £000	As at 30.09.17 Assets £000
Valuation technique				
Level 2: Observable market data	–	2,959	–	2,959
Level 3: Unobservable data	11,304	22,795	40,420	64,514
Total value	11,304	25,754	40,420	67,473

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.

The investment asset in Poland is the last remaining property held by the European Property Fund. Management are actively trying to sell this asset and the current valuation reflects a fair value as assessed by independent valuers. Property values are impacted by a number of factors including rental agreements and local yields (as well as the number of willing and able buyers at a point in time), therefore the value realised by the Fund at the time of sale may be materially different from the carrying value as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Accrued revenue	245	463	–
Other debtors	257	621	–	–
Overseas tax recoverable	1	1	1	1
Prepaid expenses	347	781	42	–
VAT recoverable	443	1,640	–	–
Total debtors	1,293	3,506	43	291

9 Cash and bank balances

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Cash and bank balances	33,283	44,746	2,767

10 Cash equivalents

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR	–	2,959	–

11 Other creditors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.18 £000	As at 30.09.17 £000	As at 30.09.18 £000	As at 30.09.17 £000
	Accrued expenses	469	926	60
Deferred income	180	387	–	–
Income tax payable	1	12	–	–
Other creditors	1,069	1,216	–	–
Overseas tax provision	654	495	–	–
Trade creditors	145	177	–	–
VAT payable	192	1,370	–	–
Total other creditors	2,710	4,583	60	157

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

13 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors European Property Fund £000
Cash and cash equivalents:		
As at 30.09.17	47,705	4,775
Cash flows	(14,422)	(2,008)
As at 30.09.18	33,283	2,767

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

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.18 £000	Year ended 30.09.17 £000	Year ended 30.09.18 £000	Year ended 30.09.17 £000
Net (expense)/revenue before taxation	(1,754)	1,923	(677)	97
Add: Fees paid from capital	–	4	–	4
Decrease in debtors (excluding capital items)	2,213	2,267	248	15,547
(Decrease)/increase in creditors (excluding capital items)	(321)	1,401	97	(39)
Net cash inflow/(outflow) from operating activities	138	5,595	(333)	15,609

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

ACD periodic charges/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/Fund Management Fee was £59,666 (2017: £46,957) and registration fees was £nil (2017: £5,617). 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 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2017: £1,584,746). The amount outstanding at the year end was £nil (2017: £587,582). 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 (2017:£nil) and £2,924,191 (2017:£9,494,168) respectively. The income received during the year amounted to £nil (2017:£nil).

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

	Holdings at 30.09.18 (shares)	Movement (shares)	Holdings at 30.09.17 (shares)
ACD and related parties (share class R (GBP) income)	1,616,163	(667,370)	2,283,533
ACD and related parties (share class I (GBP) income)	21,796,634	(8,957,113)	30,753,747
ACD and related parties (share class A (EUR) accumulation)	1,643,242	(679,792)	2,323,034
ACD and related parties (share class I (EUR) accumulation)	8,740,458	(3,615,606)	12,356,064

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

16 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 29 and 30. The distributions per share class are given in the distribution tables on pages 45 and 46. All the share classes have the same rights on winding up.

17 Shares in issue reconciliation

	Number of shares in issue at 30.09.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.18
Share class A (GBP) income	620,752	–	(181,416)	–	439,336
Share class A (EUR) income	21,184	–	(6,199)	–	14,985
Share class R (GBP) income	3,758,240	–	(1,098,358)	–	2,659,882
Share class I (GBP) income	37,412,629	–	(10,933,251)	–	26,479,378
Share class A (EUR) accumulation	2,590,352	–	(758,017)	–	1,832,335
Share class A (USD) accumulation	27,088	–	(7,914)	–	19,174
Share class I (EUR) accumulation	17,515,984	–	(5,125,492)	–	12,390,492

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 (2017: £nil).

Foreign currency risk

At the year end date, 89.99% (2017: 99.20%) 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 9.47% (2017: 9.92%).

At the year end date, 89.99% (2017: 99.20%) 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 9.47% (2017: 9.92%).

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000 30.09.18	Monetary exposure £000 30.09.18	Total £000 30.09.18	Non monetary exposure £000 30.09.18	Monetary exposure £000 30.09.18	Total £000 30.09.18
Euro	11,358	27,489	38,847	38,417	430	38,847
Swedish Krona	–	2,003	2,003	2,003	–	2,003
US Dollar	–	5	5	–	5	5

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000 30.09.17	Monetary exposure £000 30.09.17	Total £000 30.09.17	Non monetary exposure £000 30.09.17	Monetary exposure £000 30.09.17	Total £000 30.09.17
Euro	11,308	43,721	55,029	53,093	1,951	55,044
Swedish Krona	11,487	1,761	13,248	11,421	1,810	13,231
US Dollar	–	118	118	–	118	118

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 78.19% (2017: 69.19%) of the net assets of the Company were interest bearing. At the year end date 95.90% (2017: 100.50%) 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 2018 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
Financial Assets								
Sterling	2,332	–	43	2,375	2,332	–	43	2,375
Euro	29,410	–	9,437	38,847	26,058	12,789	–	38,847
Swedish Krona	2,009	–	–	2,009	–	43	1,960	2,003
US Dollar	5	–	–	5	5	–	–	5
Financial Liabilities								
Sterling	–	–	(60)	(60)	–	–	(60)	(60)
Swedish Krona	–	–	(6)	(6)	–	–	–	–
Total	33,756	–	9,414	43,170	28,395	12,832	1,943	43,170

The interest rate profile of the Fund's financial assets and liabilities at 30 September 2017 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
Financial Assets								
Sterling	1,187	–	–	1,187	1,187	–	–	1,187
Euro	44,503	–	10,525	55,028	45,857	10,704	(1,517)	55,044
Swedish Krona	1,897	–	11,350	13,247	(14)	11,437	1,808	13,231
US Dollar	118	–	–	118	118	–	–	118
Financial Liabilities								
Sterling	–	–	(635)	(635)	–	–	(635)	(635)
Total	47,705	–	21,240	68,945	47,148	22,141	(344)	68,945

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% (2017: 4.29%) 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% (2017: 0.43%).

At the year end date, nil% (2017: 4.29%) 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% (2017: 0.43%).

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 2018 (2017: £nil). The total purchases for the year amounted to £nil (2017: £nil) and the total sales amounted to £18,428,793 (2017: £90,041,000).

20 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2018

Income shares		Net revenue	Equalisation	Final distribution payable 30 November 2018	Final distribution paid 30 November 2017
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.6708p
	Group 2	0.0000p	0.0000p	0.0000p	0.6708p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.6505c
	Group 2	0.0000c	0.0000c	0.0000c	0.6505c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.6668p
	Group 2	0.0000p	0.0000p	0.0000p	0.6668p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	1.2004p
	Group 2	0.0000p	0.0000p	0.0000p	1.2004p

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 November 2018	Final distribution paid 30 November 2017
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.8817c
	Group 2	0.0000c	0.0000c	0.0000c	0.8817c
Class A (USD)	Group 1	0.0000c	–	0.0000c	1.8689c
	Group 2	0.0000c	0.0000c	0.0000c	1.8689c
Class I (EUR)	Group 1	0.0000c	–	0.0000c	1.6971c
	Group 2	0.0000c	0.0000c	0.0000c	1.6971c

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2018.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence/cents per share for the six months ended 31 March 2018

Income shares		Net revenue	Equalisation	Interim distribution paid 31 May 2018	Interim distribution paid 31 May 2017
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.6246p
	Group 2	0.0000p	0.0000p	0.0000p	0.6246p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.6238c
	Group 2	0.0000c	0.0000c	0.0000c	0.6238c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.6208p
	Group 2	0.0000p	0.0000p	0.0000p	0.6208p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	1.1578p
	Group 2	0.0000p	0.0000p	0.0000p	1.1578p

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 May 2018	Interim distribution paid 31 May 2017
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.8178c
	Group 2	0.0000c	0.0000c	0.0000c	0.8178c
Class A (USD)	Group 1	0.0000c	–	0.0000c	1.5726c
	Group 2	0.0000c	0.0000c	0.0000c	1.5726c
Class I (EUR)	Group 1	0.0000c	–	0.0000c	1.6285c
	Group 2	0.0000c	0.0000c	0.0000c	1.6285c

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2017.

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

To carry on Property Investment Business and to manage the cash raised from investors for investment in the Property Investment Business. In doing so, the Fund's aim is to obtain returns via income and capital appreciation.

INVESTMENT APPROACH

The Fund will primarily invest in:

- a) approved immovables (being properties within the United Kingdom). Immovables invested in will be mainly commercial property but may also be non-commercial property. Although the Fund may invest 100 per cent of its property in immovables, it will typically invest no more than 90 per cent. of its property in this way;
- b) transferable securities, with an emphasis on property-related securities. Although the Fund may invest 100 per cent of its property in transferable securities, it will typically hold not more than 30 per cent. of its property in property company shares;
- c) government and other public securities; and
- d) units in regulated and unregulated collective investment schemes.

The Fund may also invest in money-market instruments, derivatives and forward transactions, deposits, cash and near cash.

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.

There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

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

FUND MANAGER'S REPORT

TOTAL PERFORMANCE

Over the twelve months ended to 30 September 2018, the Fund* delivered a total returned of 5.57 per cent (Share class 2 accumulation), net of fees.

REVIEW

During the period, the Fund Managers have continued to embed the overarching strategy of Aviva Investors Real Estate in the Fund, taking into account current and forecast structural trends and technological changes which are changing customer requirements in the property sector. This strategy has continued to underpin the Fund's asset disposals and retentions, and asset management approach. Good progress has been made in terms of focussing the Fund's investments in fewer, higher quality assets in selected locations, enabling the team to leverage local market knowledge and expertise. The strategy of the Fund has continued to be conviction based, focused on value investing where market pricing is attractive and where we believe we can add value.

Significant changes have been made to the portfolio in order to return the Fund to a position of strong performance and to provide resilient income for our investors over the medium to long term. In particular, the resilience of the Fund's income has been borne out in the retail sector. Despite a relatively high number of high-profile administrations, company voluntary agreements (CVA) and store closure programmes in the UK retail and casual dining sectors, the Fund's income was impacted by only 2 of these, representing 0.5% of the Fund's income.

Key activities undertaken in the year have included strategic disposals, completion of the development of Forum St Paul's (City of London office), the refurbishment of the Pavilion Centre (Brighton retail park) and various asset management transactions as summarised below:

- Seven strategic disposals which contributed to an increase in the Fund's average property size from £29.4m to £30.6m, including:
 - Various properties outside of our locational strategy including properties in High Wycombe, Swindon, Cardiff, Southampton and Kettering.
 - 20 Soho Square, an office asset in London's West End, completed on 2 July following successful delivery of the asset's business plan, and resulting in cash available for reinvestment in line with the Fund's strategy.
 - Broadway Plaza (a Birmingham leisure asset), taking advantage of a buoyant market for leisure assets.
- Thirty-three asset management events including:
 - Three rent reviews
 - Eleven lease renewals and re-gears
 - Nineteen new lettings completed including the first letting at Forum St Paul's on a 10 year term to Epiris LLP (private equity firm) at a strong headline rent, and two new long term leases at the Pavilion Centre; a 20-year lease agreed with Aldi, and a 15-year lease to Hobbycraft.
 - New agreements for lease in place at year end including one at 123 St. Vincent Street in Glasgow for four floors to HMRC and one at Interpoint in Edinburgh to Royal London for the whole building.

AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

OUTLOOK

Looking ahead, Brexit is a significant risk to the UK economy and property market. Whilst the course of the current Brexit negotiations between the UK government and the EU is notoriously hard to judge, we are not complacent and have undertaken work to increase the Fund's resilience to macro-shocks, as well as longer term trends. As a result of this work we believe the Fund now holds a more resilient portfolio focused on investments where we can actively add value. Additionally, the Fund has diversified its risk exposure by having a diverse tenant mix across 192 separate tenancies and a geographically diverse portfolio with a lower exposure to Central London offices (9.4% at year end).

The Fund is also focused on maintaining a healthy cash balance and holds a "liquidity pool" of assets which could be brought to the market relatively quickly in the event of experiencing reduced liquidity. These would however only be used to build liquidity through an orderly sale process. At year end, the Fund had a strong cash position (20.6%) and stood ready to make strategic acquisitions, including being under offer on the forward funding of a fully-let retail warehouse scheme.

November 2018

* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 30 September 2018 (share class 2 acc).

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

90 & 92 Queen Street, Cardiff

35 Argyle Street, Glasgow

Units D & E Knaves, Beech High Wycombe

20 Soho Square, London

Broadway Plaza, Fiveways, Birmingham

11 Broadmoor Road, Southmarston Business Park, Swindon

Debenhams Store, Queens Buildings, Queens Way, Southampton

DIRECT PROPERTY PURCHASES

There were no purchases of property during the year.

COMPARATIVE TABLES

	2018 p per share	2017 p per share
Class 1 Income*		
Change in net assets per share		
Opening net asset value per share	117.73	117.12
Return before operating charges [†]	7.96	1.13
Operating charges	(1.93)	(0.29)
Return after operating charges [†]	6.03	0.84
Distributions	(2.23)	(0.23)
Closing net asset value per share	121.53	117.73
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.12%	0.72%
Other information		
Closing net asset value (£000)	24,714	59,862
Closing number of shares	20,335,663	50,845,075
Operating charges (%) [†]	1.61%	2.13%
Direct transaction costs (%) [#]	–	–
Prices[°]		
Highest share price	126.03	116.87
Lowest share price	116.54	115.41

	2018 p per share	2017 p per share
Class 2 Income*		
Change in net assets per share		
Opening net asset value per share	109.13	108.67
Return before operating charges [†]	7.31	0.93
Operating charges	(1.23)	(0.19)
Return after operating charges [†]	6.08	0.74
Distributions	(2.51)	(0.28)
Closing net asset value per share	112.70	109.13
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.57%	0.68%
Other information		
Closing net asset value (£000)	85,642	57,451
Closing number of shares	75,990,275	52,645,292
Operating charges (%) [†]	1.10%	1.50%
Direct transaction costs (%) [#]	–	–
Prices[°]		
Highest share price	113.07	108.32
Lowest share price	108.02	106.98

	2018 p per share	2017 p per share
Class 1 Accumulation*		
Change in net assets per share		
Opening net asset value per share	174.04	172.41
Return before operating charges [†]	11.90	2.05
Operating charges	(2.87)	(0.42)
Return after operating charges [†]	9.03	1.63
Distributions	(3.28)	(0.35)
Retained distributions on accumulation shares	3.28	0.35
Closing net asset value per share	183.07	174.04
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.19%	0.95%
Other information		
Closing net asset value (£000)	68,940	115,455
Closing number of shares	37,657,336	66,337,309
Operating charges (%) [†]	1.61%	2.13%
Direct transaction costs (%) [#]	–	–
Prices[°]		
Highest share price	187.70	172.41
Lowest share price	172.26	170.26

	2018 p per share	2017 p per share
Class 2 Accumulation*		
Change in net assets per share		
Opening net asset value per share	123.71	122.49
Return before operating charges [†]	8.28	1.43
Operating charges	(1.40)	(0.21)
Return after operating charges [†]	6.88	1.22
Distributions	(2.86)	(0.31)
Retained distributions on accumulation shares	2.86	0.31
Closing net asset value per share	130.59	123.71
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.56%	1.00%
Other information		
Closing net asset value (£000)	108,097	60,390
Closing number of shares	82,776,296	48,814,949
Operating charges (%) [†]	1.10%	1.50%
Direct transaction costs (%) [#]	–	–
Prices[°]		
Highest share price	129.87	122.49
Lowest share price	122.44	120.98

COMPARATIVE TABLES (CONTINUED)

Class 5 Income*	2018 p per share	2017 p per share
Change in net assets per share		
Opening net asset value per share	113.66	113.07
Return before operating charges [†]	7.68	1.08
Operating charges	(1.20)	(0.19)
Return after operating charges [†]	6.48	0.89
Distributions	(2.76)	(0.30)
Closing net asset value per share	117.38	113.66
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.70%	0.79%
Other information		
Closing net asset value (£000)	1,204	2,750
Closing number of shares	1,025,954	2,419,534
Operating charges (%) [†]	1.03%	1.43%
Direct transaction costs (%) [†]	–	–
Prices[°]		
Highest share price	117.72	112.81
Lowest share price	112.51	111.43

Class 6 Income*	2018 p per share	2017 p per share
Change in net assets per share		
Opening net asset value per share	108.90	108.40
Return before operating charges [†]	7.36	0.97
Operating charges	(1.54)	(0.22)
Return after operating charges [†]	5.82	0.75
Distributions	(2.28)	(0.25)
Closing net asset value per share	112.44	108.90
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.34%	0.69%
Other information		
Closing net asset value (£000)	14,755	17,363
Closing number of shares	13,122,251	15,944,371
Operating charges (%) [†]	1.38%	1.78%
Direct transaction costs (%) [†]	–	–
Prices[°]		
Highest share price	116.77	112.22
Lowest share price	107.79	106.75

Class 6 Accumulation*	2018 p per share	2017 p per share
Change in net assets per share		
Opening net asset value per share	122.36	121.18
Return before operating charges [†]	8.30	1.43
Operating charges	(1.74)	(0.25)
Return after operating charges [†]	6.56	1.18
Distributions	(2.55)	(0.28)
Retained distributions on accumulation shares	2.55	0.28
Closing net asset value per share	128.92	122.36
† after direct transaction costs of	–	–
Performance		
Return after operating charges	5.36%	0.97%
Other information		
Closing net asset value (£000)	15,620	15,648
Closing number of shares	12,116,209	12,788,773
Operating charges (%) [†]	1.38%	1.78%
Direct transaction costs (%) [†]	–	–
Prices[°]		
Highest share price	132.21	121.18
Lowest share price	121.09	112.22

Class 7 Income**	2018 p per share
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges [†]	1.04
Operating charges	(0.12)
Return after operating charges [†]	0.92
Distributions	(0.95)
Closing net asset value per share	99.97
† after direct transaction costs of	–
Performance	
Return after operating charges	0.92%
Other information	
Closing net asset value (£000)	174
Closing number of shares	173,745
Operating charges (%) [†]	1.12%
Direct transaction costs (%) [†]	–
Prices[°]	
Highest share price	100.39
Lowest share price	99.05

COMPARATIVE TABLES (CONTINUED)

	2018 p per share	2017 p per share
Class D Income*		
Change in net assets per share		
Opening net asset value per share	100.74	100.00
Return before operating charges [†]	6.60	1.15
Operating charges	(0.39)	(0.09)
Return after operating charges [†]	6.21	1.06
Distributions	(3.17)	(0.32)
Closing net asset value per share	103.78	100.74
[†] after direct transaction costs of	–	–
Performance		
Return after operating charges	6.16%	1.06%
Other information		
Closing net asset value (£000)	217,729	320,404
Closing number of shares	209,808,684	318,051,779
Operating charges (%) [‡]	0.38%	0.78%
Direct transaction costs (%) [#]	–	–
Prices[≈]		
Highest share price	104.42	100.73
Lowest share price	100.77	99.84

	2018 p per share	2017 p per share
Class D Accumulation*		
Change in net assets per share		
Opening net asset value per share	101.06	100.00
Return before operating charges [†]	6.67	1.15
Operating charges	(0.40)	(0.09)
Return after operating charges [†]	6.27	1.06
Distributions	(3.00)	(0.34)
Retained distributions on accumulation shares	3.00	0.34
Closing net asset value per share	107.33	101.06
[†] after direct transaction costs of	–	–
Performance		
Return after operating charges	6.20%	1.06%
Other information		
Closing net asset value (£000)	351,782	399,510
Closing number of shares	327,762,684	395,303,679
Operating charges (%) [‡]	0.38%	0.78%
Direct transaction costs (%) [#]	–	–
Prices[≈]		
Highest share price	107.23	101.03
Lowest share price	101.08	99.84

* Share class launched on 18 August 2017.

** Share class launched on 24 August 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 period 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 period 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 published accounts and may be different due to post period end accounting adjustments.

Ongoing Charges Figure*

Share class	OCF* 30.09.18	PER** 30.09.18	OCF* 30.09.17	PER** 30.09.17
Class 1	1.02%	0.35%	1.37%	0.76%
Class 2	0.74%	0.35%	0.74%	0.76%
Class 5	0.67%	0.35%	0.67%	0.76%
Class 6	1.02%	0.35%	1.02%	0.76%
Class 7	0.74%	0.35%	–	–
Class D	0.02%	0.35%	0.02%	0.76%

* 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 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Property Related Assets 0.00% (0.00%)				
Land Securities Group plc	GBP	183	2	–
Total property related assets			2	–
Direct Properties 79.28% (84.10%)				
Market values up to £44,000,000				
Development Land, Dyce Drive, Aberdeen	GBP			
Unit 4A Dennis Way, Slyfield Industrial Estate, Guildford	GBP			
Aberdeen Business Park, Aberdeen	GBP			
Reading, Sainsbury, 52-55 Friar St & 12 Greyfriar's Road, Reading	GBP			
Orbital 7, Orbital Park, Cannock	GBP			
Longus House, 40 – 48 Eastgate Street, Chester	GBP			
Stanstead Road Industrial Est, Woodward Road, Eastleigh	GBP			
St James Gate, Office Block 1	GBP			
Castle Bromwich Business Park, Birmingham	GBP			
Interpoint, 22 Haymarket Yards, Edinburgh	GBP			
Central Studios, Reading, Berkshire RG1 1NP	GBP			
Boyatt Wood Industrial Estate, Woodward Road, Eastleigh	GBP			
Specialist Vehicles Ltd, Slyfield Industrial Estate, Dennis Way, Guildford	GBP			
Spurriergate, York, Units 1-5, Spurriergate, Units 1-3 High Ousegate	GBP			
123 St Vincent Street, Glasgow	GBP			
The Pavilion Centre, Brighton	GBP			
Units A and C Prologis Park, Beddinton Lane, Croydon, CR0 4TD	GBP			
Total market values up to £44,000,000			305,121	34.33
Adjustments for lease incentives			(3,858)	(0.43)
			301,263	33.90
Market values over £44,000,000				
Colmore Gate, 2-6 Colmore Row, Birmingham	GBP			
The Corn Exchange, Exchange Square, Manchester	GBP			
The Guildhall Shopping Centre, Exeter	GBP			
Abacus House, 33 Gutter Lane	GBP			
Lombardy Retail Park, Hayes	GBP			
Ealing Cross, 85 Uxbridge Road, London W5 5TH	GBP			
Total market values over £44,000,000			399,324	44.94
Adjustments for lease incentives			(5,050)	(0.57)
			394,274	44.37
Total direct properties			704,445	79.27
Adjustments for lease incentives			(8,908)	(1.00)
Total direct properties after adjustments			695,537	78.27
Liquidity Funds 14.39% (6.80%)¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	127,900,000	127,900	14.39
Liquidity funds total			127,900	14.39
Investment assets ²			823,439	92.66
Net other assets			65,218	7.34
Net assets			888,657	100.00

The comparative percentage figures in brackets are as at 30 September 2017.

[†] Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2018

	Notes		Year ended 30.09.18 £000		Period ended 30.09.17* £000
Income					
Net capital gains	2		28,512		7,360
Revenue	3	35,579		5,259	
Expenses	4	(6,489)		(1,515)	
Net revenue before taxation		29,090		3,744	
Taxation	5	(5)		–	
Net revenue after taxation			29,085		3,744
Total return before distributions			57,597		11,104
Distributions	6		(29,199)		(3,767)
Change in net assets attributable to shareholders from investment activities			28,398		7,337

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2018

		Year ended 30.09.18 £000		Period ended 30.09.17* £000
Opening net assets attributable to shareholders		1,048,833		–
Amounts transferred from Aviva Investors Property Trust		–		1,091,988
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	8,600		831	
Amounts payable on cancellation of shares	(213,858)		(53,602)	
		(205,258)		(52,771)
Dilution adjustment		2,559		531
Change in net assets attributable to shareholders from investment activities (see above)		28,398		7,337
Retained distribution on accumulation shares		14,122		1,748
Unclaimed distributions		3		–
Closing net assets attributable to shareholders		888,657		1,048,833

* Fund launched on 18 August 2017.

BALANCE SHEET

As at 30 September 2018

	Notes	As at 30.09.18 £000	As at 30.09.17 £000
Assets:			
Investments		695,539	869,890
Current assets:			
Debtors	8	32,440	30,589
Cash and bank balances	9	50,456	102,494
Cash equivalents	10	127,900	71,300
Total assets		906,335	1,074,273
Liabilities:			
Creditors:			
Distribution payable		(4,040)	(1,343)
Other creditors	11	(13,638)	(24,097)
Total liabilities		(17,678)	(25,440)
Net assets attributable to shareholders		888,657	1,048,833

CASH FLOW STATEMENT

For the year ended 30 September 2018

	Note	£000	Year ended 30.09.18 £000	£000	Period ended 30.09.17* £000
Net cash inflow/(outflow) from operating activities	18		36,556		(18,004)
Servicing of finance					
Distributions paid			(4,040)		(1,343)
Taxation					
Taxation paid			(4,409)		–
Financial investments					
Sales of investments		222,349		67,650	
Capital expenditure		(28,657)		(5,604)	
			193,692		62,046
Financing					
Cash and Cash equivalent transferred from Aviva Investors Property Trust		–		161,178	
Conversion adjustment		–		18,255	
Amounts received on issue of shares		5,859		812	
Amounts paid on cancellation of shares		(223,096)		(49,150)	
			(217,237)		131,095
Increase in cash in the year			4,562		173,794
Net cash and cash equivalents at the start of the year			173,794		–
Net cash and cash equivalents at the end of the year			178,356		173,794

* Fund launched on 18 August 2017.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 to 8 for accounting basis and policies.

2 Net capital gains

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
The net capital gains on investments during the year comprise:		
Direct properties	28,514	7,363
Expenses relating to the purchase and sale of investments	(2)	(3)
Net capital gains**	28,512	7,360

** Total realised gains for the year were £40,338,786 (2017: £9,933,818) and the movement in unrealised losses was £11,824,700 (2017: £2,570,754). Included in realised gains for the year were unrealised losses recognised in previous periods.

3 Revenue

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
Bank and deposit interest	38	2
Interest on debt securities	418	27
Property rental income	35,123	5,230
Total revenue	35,579	5,259

* Fund launched on 18 August 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
ACD's periodic charge/Fund Management Fee**	2,755	389
Registration fees	211	39
	2,966	428
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	51	9
Safe custody fee	11	16
	62	25
Other expenses:		
Audit fee***	30	45
Bad debt written off	117	–
Head rent	(56)	71
Insurance	122	(263)
Lease incentives	2,279	25
Maintenance costs	300	57
Marketing costs	197	16
Non-recoverable expenses	(444)	84
Printing & postage expenses	7	12
Professional fees	2,076	344
Statement fees	44	66
Valuer's fees	181	115
Void rates	(3,276)	229
Void service charge costs	1,884	261
	3,461	1,062
Total expenses	6,489	1,515

* Fund launched on 18 August 2017.

** From 4 June 2018 the Fund changed to a single fixed charge known as the Fund Management Fee (FMF). The FMF covers fees and expenses in relation to the operation and administration of the Company and the Fund.

*** The audit fee was £41,990 (2017: £37,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
Adjustment in respect to prior period	5	–
Total tax for the year (see note 5b)	5	–

b Factors affecting current tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
Net revenue before taxation	29,090	3,744
Corporation tax at 20%	5,818	749
Effects of:		
Adjustment in respect to prior period	5	–
Equalisation on the Property stream not subject to corporation tax	(461)	(12)
Interest revenue distributed gross	(91)	(6)
Income tax withheld on distributions	(4,366)	(631)
Shadow capital allowance not subject to corporation tax	(900)	(100)
	(5,813)	(749)
Total tax for the year (see note 5a)	5	–

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 (2017: £nil).

6 Distributions

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Interim distribution	17,752	–
Final distribution	11,233	3,722
	28,985	3,722
Add: Revenue deducted on cancellation of shares	234	45
Deduct: Revenue received on issue of shares	(20)	–
Total distributions	29,199	3,767
Reconciliation of distributions for the period to net revenue after taxation		
Distributions for the year	29,199	3,767
Equalisation on conversions	(114)	(23)
Net revenue after taxation	29,085	3,744

Details of the distributions per share are set out in the distribution tables on pages 63 to 66.

* Fund launched on 18 August 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	As at 30.09.18 Assets £000	As at 30.09.17 Assets £000
Level 1: Quoted prices	2	2
Level 2: Observable market data	127,900	71,300
Total value	127,902	71,302

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

	As at 30.09.18 £000	As at 30.09.17 £000
Accrued revenue	63	18
Current property capital debtor	6,930	917
Lease incentive	1,070	1,596
Managing agent or other property debtor	16,541	15,282
Rent free debtor	7,836	10,511
VAT net receivable account	–	2,265
Total debtors	32,440	30,589

9 Cash and bank balances

	As at 30.09.18 £000	As at 30.09.17 £000
Amounts held at futures clearing house and brokers	19,787	–
Cash and bank balances	30,669	102,494
Total cash and bank balances	50,456	102,494

10 Cash equivalents

	As at 30.09.18 £000	As at 30.09.17 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	127,900	71,300

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Other creditors

	As at 30.09.18 £000	As at 30.09.17 £000
Accrued expenses	316	581
Amounts payable for cancellation of shares	1,056	15,379
Current property capital creditor	–	164
Current property revenue creditor*	9,514	7,342
Income tax withheld on distributions	1,250	631
VAT net payable account	1,502	–
Total other creditors	13,638	24,097

* 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 post balance sheet events have taken place that impact the measurement of the provision as at the date of the approval of the financial statements.

12 Contingent liabilities and commitments

As at the year end, £5.15 million (2017: £15 million) expenditure was legally committed across numerous properties.

13 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.

ACD periodic charges/Fund Management Fee paid to Aviva Investors UK Fund Services Limited ("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/Fund Management Fee was £207,104 (2017: £389,067). 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 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £583,240 (2017: £54,540). The amount outstanding at the year end was £284,752 (2017: £54,540). 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 £250,100,000 (2017: £57,100,000) and £193,500,000 (2017: £133,100,000) respectively. The income received during the year amounted to £418,011 (2017: £27,358).

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

	Holdings at 30.09.18 (shares)	Movement (shares)	Holdings at 30.09.17 (shares)
ACD and related parties (Class 1 Income shares)	13,670,609	5,120,698	8,549,911
ACD and related parties (Class 1 Accumulation shares)	–	(8,624,551)	8,624,551
ACD and related parties (Class 2 Income shares)	428,554	428,554	–
ACD and related parties (Class 2 Accumulation shares)	12,864,220	11,359,824	1,504,396

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

14 Shareholder funds

The Fund currently has six share classes: Classes 1 and 6 (Retail), Classes 2, 5 and 7 (Institutional) and Class D (only available for investment by the Feeder Funds). The Fund Management Fee are as follows:

Class 1 : 1.02%
 Class 2 : 0.74%
 Class 5 : 0.67%
 Class 6 : 1.02%
 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 49 to 51. The distributions per share class are given in the distribution tables on pages 63 to 66. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Shares in issue reconciliation

	Number of shares in issue at 30.09.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.18
Class 1 Income	50,845,075	2,203,486	(11,362,361)	(21,350,537)	20,335,663
Class 1 Accumulation	66,337,309	–	(22,084,291)	(6,595,682)	37,657,336
Class 2 Income	52,645,292	–	(14,525,366)	37,870,349	75,990,275
Class 2 Accumulation	48,814,949	–	(1,069,658)	35,031,005	82,776,296
Class 5 Income	2,419,534	–	(574,855)	(818,725)	1,025,954
Class 6 Income	15,944,371	–	(548,570)	(2,273,550)	13,122,251
Class 6 Accumulation	12,788,773	–	(123,069)	(549,495)	12,116,209
Class 7 Income	–	–	–	173,745	173,745
Class D Income	318,051,779	1,504,853	(89,397,177)	(20,350,771)	209,808,684
Class D Accumulation	395,303,679	4,261,651	(48,365,840)	(23,436,806)	327,762,684

16 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 (2017: £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 20.07% (2017: 16.57%) 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 30.09.18	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	178,356	–	727,979	906,335
Financial Liabilities				
Sterling	–	–	(17,678)	(17,678)
Total	178,356	–	710,301	888,657
<hr/>				
Currency 30.09.17	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	173,794	–	901,373	1,075,167
Financial Liabilities				
Sterling	–	–	(26,334)	(26,334)
Total	173,794	–	875,039	1,048,833

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.

Market price risk

At the year end date, 92.66% (2017: 89.74%) of the net assets of the Fund were invested in ordinary shares or stock units or property related assets or direct properties and admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.27% (2017: 8.97%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 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 2018 (2017: £nil). The total purchases for the year amounted to £272,492,603 (2017: £62,032,975) and the total sales amounted to £426,270,465 (2017: £199,904,346).

Dealing spread

As at 30 September 2018, the average portfolio dealing spread on Property Related Assets was nil% (2017: nil%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

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

	Year ended 30.09.18 £000	Period ended 30.09.17* £000
Net revenue before taxation	29,090	3,744
Decrease/(increase) in debtors	4,162	(30,566)
Increase in creditors	3,304	8,818
Net cash inflow/(outflow) from operating activities	36,556	(18,004)

* Fund launched on 18 August 2017.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 30 September 2018

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2018	Final distribution paid 30 November 2017
Class 1	Property distribution	Group 1	0.3514	0.0703	0.2811	–	0.2811	0.1702
		Group 2	0.3361	0.0673	0.2688	0.0123	0.2811	0.1702
	Interest distribution	Group 1			0.0347	–	0.0347	0.0032
		Group 2			0.0347	0.0000	0.0347	0.0032
	Dividend distribution	Group 1			0.6159	–	0.6159	0.0563
		Group 2			0.6159	0.0000	0.6159	0.0563
Class 2	Property distribution	Group 1	0.5304	0.1061	0.4243	–	0.4243	0.2224
		Group 2	0.2588	0.0517	0.2071	0.2172	0.4243	0.2224
	Interest distribution	Group 1			0.0383	–	0.0383	0.0029
		Group 2			0.0383	0.0000	0.0383	0.0029
	Dividend distribution	Group 1			0.5711	–	0.5711	0.0522
		Group 2			0.5711	0.0000	0.5711	0.0522
Class 5	Property distribution	Group 1	0.6318	0.1264	0.5054	–	0.5054	0.2444
		Group 2	0.4268	0.0853	0.3415	0.1639	0.5054	0.2444
	Interest distribution	Group 1			0.0483	–	0.0483	0.0031
		Group 2			0.0483	0.0000	0.0483	0.0031
	Dividend distribution	Group 1			0.5948	–	0.5948	0.0544
		Group 2			0.5948	0.0000	0.5948	0.0544
Class 6	Property distribution	Group 1	0.4046	0.0809	0.3237	–	0.3237	0.1922
		Group 2	0.1946	0.0389	0.1557	0.1680	0.3237	0.1922
	Interest distribution	Group 1			0.0382	–	0.0382	0.0029
		Group 2			0.0382	0.0000	0.0382	0.0029
	Dividend distribution	Group 1			0.5698	–	0.5698	0.0521
		Group 2			0.5698	0.0000	0.5698	0.0521
Class 7	Property distribution	Group 1	0.4546	0.0909	0.3637	–	0.3637	0.0000
		Group 2	0.4546	0.0909	0.3637	0.0000	0.3637	0.0000
	Interest distribution	Group 1			0.0101	–	0.0101	0.0000
		Group 2			0.0101	0.0000	0.0101	0.0000
	Dividend distribution	Group 1			0.5777	–	0.5777	0.0000
		Group 2			0.5777	0.0000	0.5777	0.0000
Class D	Property distribution	Group 1	1.0404	0.2081	0.8323	–	0.8323	0.2740
		Group 2	1.0404	0.2081	0.8323	0.0000	0.8323	0.2740
	Interest distribution	Group 1			0.0379	–	0.0379	0.0027
		Group 2			0.0379	0.0000	0.0379	0.0027
	Dividend distribution	Group 1			0.5259	–	0.5259	0.0482
		Group 2			0.5259	0.0000	0.5259	0.0482

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2018	Final distribution paid 30 November 2017
Class 1	Property distribution	Group 1	0.4665	0.0933	0.3732	–	0.3732	0.2624
		Group 2	0.1294	0.0259	0.1035	0.2697	0.3732	0.2624
	Interest distribution	Group 1			0.0600	–	0.0600	0.0047
		Group 2			0.0600	0.0000	0.0600	0.0047
	Dividend distribution	Group 1			0.9266	–	0.9266	0.0832
		Group 2			0.9266	0.0000	0.9266	0.0832
Class 2	Property distribution	Group 1	0.6106	0.1221	0.4885	–	0.4885	0.2495
		Group 2	0.3424	0.0684	0.2740	0.2145	0.4885	0.2495
	Interest distribution	Group 1			0.0392	–	0.0392	0.0033
		Group 2			0.0392	0.0000	0.0392	0.0033
	Dividend distribution	Group 1			0.6613	–	0.6613	0.0592
		Group 2			0.6613	0.0000	0.6613	0.0592
Class 6	Property distribution	Group 1	0.4142	0.0828	0.3314	–	0.3314	0.2156
		Group 2	0.1972	0.0394	0.1578	0.1736	0.3314	0.2156
	Interest distribution	Group 1			0.0412	–	0.0412	0.0033
		Group 2			0.0412	0.0000	0.0412	0.0033
	Dividend distribution	Group 1			0.6526	–	0.6526	0.0585
		Group 2			0.6526	0.0000	0.6526	0.0585
Class D	Property distribution	Group 1	0.9105	0.1821	0.7284	–	0.7284	0.2847
		Group 2	0.9105	0.1821	0.7284	0.0000	0.7284	0.2847
	Interest distribution	Group 1			0.0359	–	0.0359	0.0028
		Group 2			0.0359	0.0000	0.0359	0.0028
	Dividend distribution	Group 1			0.5434	–	0.5434	0.0483
		Group 2			0.5434	0.0000	0.5434	0.0483

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2018.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2018.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the six months ended 31 March 2018

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 30 November 2018
Class 1	Property distribution	Group 1	1.2595	0.2519	1.0076	–	1.0076
		Group 2	0.9765	0.1953	0.7812	0.2264	1.0076
	Interest distribution	Group 1			0.0194	–	0.0194
		Group 2			0.0194	0.0000	0.0194
	Dividend distribution	Group 1			0.2743	–	0.2743
		Group 2			0.2743	0.0000	0.2743
Class 2	Property distribution	Group 1	1.5012	0.3002	1.2010	–	1.2010
		Group 2	0.6522	0.1304	0.5218	0.6792	1.2010
	Interest distribution	Group 1			0.0176	–	0.0176
		Group 2			0.0176	0.0000	0.0176
	Dividend distribution	Group 1			0.2543	–	0.2543
		Group 2			0.2543	0.0000	0.2543
Class 5	Property distribution	Group 1	1.6643	0.3329	1.3314	–	1.3314
		Group 2	1.6643	0.3329	1.3314	0.0000	1.3314
	Interest distribution	Group 1			0.0187	–	0.0187
		Group 2			0.0187	0.0000	0.0187
	Dividend distribution	Group 1			0.2648	–	0.2648
		Group 2			0.2648	0.0000	0.2648
Class 6	Property distribution	Group 1	1.3429	0.2686	1.0743	–	1.0743
		Group 2	0.7798	0.1560	0.6238	0.4505	1.0743
	Interest distribution	Group 1			0.0175	–	0.0175
		Group 2			0.0175	0.0000	0.0175
	Dividend distribution	Group 1			0.2537	–	0.2537
		Group 2			0.2537	0.0000	0.2537
Class D	Property distribution	Group 1	1.9056	0.3812	1.5244	–	1.5244
		Group 2	1.9056	0.3812	1.5244	0.0000	1.5244
	Interest distribution	Group 1			0.0172	–	0.0172
		Group 2			0.0172	0.0000	0.0172
	Dividend distribution	Group 1			0.2344	–	0.2344
		Group 2			0.2344	0.0000	0.2344

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 30 November 2018
Class 1	Property distribution	Group 1	1.8514	0.3703	1.4811	–	1.4811
		Group 2	0.6762	0.1352	0.5410	0.9401	1.4811
	Interest distribution	Group 1			0.0283	–	0.0283
		Group 2			0.0283	0.0000	0.0283
	Dividend distribution	Group 1			0.4097	–	0.4097
		Group 2			0.4097	0.0000	0.4097
Class 2	Property distribution	Group 1	1.6929	0.3386	1.3543	–	1.3543
		Group 2	1.1235	0.2247	0.8988	0.4555	1.3543
	Interest distribution	Group 1			0.0199	–	0.0199
		Group 2			0.0199	0.0000	0.0199
	Dividend distribution	Group 1			0.2919	–	0.2919
		Group 2			0.2919	0.0000	0.2919
Class 6	Property distribution	Group 1	1.5167	0.3033	1.2134	–	1.2134
		Group 2	0.5858	0.1171	0.4687	0.7447	1.2134
	Interest distribution	Group 1			0.0198	–	0.0198
		Group 2			0.0198	0.0000	0.0198
	Dividend distribution	Group 1			0.2884	–	0.2884
		Group 2			0.2884	0.0000	0.2884
Class D	Property distribution	Group 1	1.8001	0.3600	1.4401	–	1.4401
		Group 2	1.8001	0.3600	1.4401	0.0000	1.4401
	Interest distribution	Group 1			0.0166	–	0.0166
		Group 2			0.0166	0.0000	0.0166
	Dividend distribution	Group 1			0.2392	–	0.2392
		Group 2			0.2392	0.0000	0.2392

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2017.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2017.

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 period which give a true and fair view of the financial position of the Company at the period end and of the net income and net gains or losses on the scheme property of the Company for the period 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 2018 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

S Ebenston
Director
31 January 2019

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Services Authority's Collective Investment Schemes sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

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 Authorised Corporate Director:

- (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 COLL Sourcebook, as appropriate, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Citibank Europe plc, UK Branch
London
31 January 2019

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

We confirm that we have valued the immovables of Aviva Investors European Property Fund as at 30 September 2018 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 2018, the market value of the immovables of Aviva Investors European Property Fund was £11,304,000.

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.

CBRE Limited
London
31 January 2019

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 European Property Fund as at 30 September 2018 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 2018, the market value of the immovables of Aviva Investors UK Property Fund was £704,445,000.

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
31 January 2019

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Aviva Investors Property Funds ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 September 2018 and of the net revenue/(expenses) and the net capital gains/(losses) on the scheme property of 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 (the "company") is an Open Ended Investment Company ('OEIC') with 3 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds (which, for Aviva Investors Asia Pacific Property Fund and Aviva Investors European Property Fund comprise the individual financial statements of the sub-fund and the consolidated financial statements of the sub-fund and their respective subsidiary undertakings). We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 30 September 2018; the statements of total return, the statements of change in net assets attributable to shareholders and the statements of cash flows for the year then ended; the distribution tables; the accounting policies (within the Policies and Risks section); and the notes to the financial statements.

EMPHASIS OF MATTER – BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we draw attention to accounting policy A (within the Policies and Risks section) which describes the Authorised Corporate Director's reasons why the financial statements of the Aviva Investors Asia Pacific Property Fund and Aviva Investors European Property Fund have been prepared on a basis other than going concern.

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 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.

CONCLUSIONS RELATING TO GOING CONCERN

With the exception of the circumstances described in the Emphasis of Matter – Basis of preparation paragraph above regarding the Aviva Investors Asia Pacific Property Fund and Aviva Investors European Property Fund, we have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a 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 Report of the Authorised Corporate Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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 the Authorised Corporate Director's Responsibilities set out on page 67, 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 company's and each of the sub-funds 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 company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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. 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
Edinburgh
31 January 2019

SECURITIES FINANCING TRANSACTIONS REGULATION DISCLOSURE (UNAUDITED)

None of the Funds in the Company currently undertakes securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365) or uses total return swaps.

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 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. 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.

