

AVIVA INVESTORS PROPERTY FUNDS ICVC

Annual Report and Financial Statements

For the year ended 30 September 2019

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

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

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

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

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

DIRECTORS

I Buckle
S Ebenston
D Skinner (resigned 16 July 2019)
J Leadsom (resigned 27 September 2019)
D Clayton
M Craston
G Miller (resigned 31 December 2019)
M White (appointed 10 October 2019)
A Coates (appointed 7 November 2019)

REGISTRAR AND ADMINISTRATOR

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

TRUSTEE AND DEPOSITARY

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

On 1 December 2018, the Trustee and Depositary, Citibank Europe plc, UK Branch, was replaced by J.P. Morgan Europe Limited. Citibank Europe plc, is registered at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB. Citibank Europe plc, is authorised and regulated by the Financial Conduct Authority.

INDEPENDENT AUDITORS

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

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 J.P. Morgan Europe Limited (“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 2019. 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 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.

From 31 January 2019 we have removed the notional dealing charge on the PAIF and Feeder Funds, and investors will no longer incur this charge when they enter the Funds. As the charge is currently included in the price of each Fund, the price for buying shares/units (the offer price) will be the same as the price for selling shares/units (the bid price) in each Fund.

Although the buying and selling prices in each Fund will now be the same, the discretion to change the basis on which the prices are calculated will be retained. Such changes to the pricing basis are designed to protect existing investors by ensuring that the prices at which investors enter or withdraw from the Funds reflect the expected underlying costs.

On 7 August 2019, the ACD made a number of changes to the investment objective and policy of the UK Property Fund in response to new requirement set out in FCA PS19/04. These changes were communicated in a mailing to investors. Further information on the changes made is available on the website, <https://www.avivainvestors.com/en-gb/capabilities/regulatory/amms/>

From 15 July 2019, for the UK Property Fund Jones Lang LaSalle may now be appointed to act as external property manager depending on the location of the property and also from 2 January 2020 also depending on the investment strategy employed for the relevant property.

The Authorised Corporate Director has adopted a policy whereby funds within its OEIC range that are actively managed by investment managers within the Aviva group, such as Aviva Investors Global Services Limited, will no longer be permitted to directly or indirectly invest in or hold Aviva Plc shares and other securities issued by Aviva Plc such as bonds, commercial paper and derivatives of these securities (collectively “Aviva Securities”), with effect from 3 February 2020.

Responsible Investment Policy

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

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION (CONTINUED)

Further details on the Policy

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

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

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

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

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

The Policy will be updated to reflect these prohibitions and will be available from 30 April 2020 on the Aviva Investors website.

Impact on our funds

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

From 30 April 2020 all fund Prospectuses will be updated to reflect the amended Policy.

FATCA AND CRS REPORTING

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

REMUNERATION (UNAUDITED)

In line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), Aviva Investors UK Fund Services Limited ("AIUKFSL") is subject to a remuneration policy which is 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 and 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. 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 ("AIF's") it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2018, apportioned remuneration based on the time assessed to be spent on AIUKFSL AIFMD activity paid by Aviva Plc, the ultimate parent of AIUKFSL, to its senior management team, and staff whose actions have a material impact on the risk profile of AIUKFSL ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£0.36m	£0.38m
Of which, Fixed Remuneration:	34%	39%
Variable Remuneration:	60%	54%
Pension/Benefits:	6%	7%
Number of Code staff:	10	7

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 30 September 2019.

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. For sub-funds that are in the process of terminating, winding up provisions have been recognised at the Balance Sheet date representing an estimate of the costs that are expected to be incurred in liquidating and subsequently terminating those sub-funds and their related subsidiary undertakings and investment assets have been reclassified from Fixed Assets to Current Assets.

For sub-funds that are in the process of terminating, winding up provisions have been recognised at the Balance Sheet date representing an estimate of the costs that are expected to be incurred in liquidating and subsequently terminating those sub-funds and their related subsidiary undertakings.

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. The valuation is also in accordance with FRS102.

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 2019. 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 2019.

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

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

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

f Property purchases and sales

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

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.

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

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.

j Cash and cash equivalents

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

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.

l Finance leased assets

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

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

m Estimates and judgements

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

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

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 closed and in the process of being terminated. Distributions for these Funds will be made on an ad hoc basis.

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.

POLICIES AND RISKS (CONTINUED)

RISK MANAGEMENT POLICIES (CONTINUED)

b Interest rate risk

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

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

c Market risk

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

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

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

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 with the use of cash and cash equivalents and by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited. In line with standard industry practice for valuing property funds, the Funds can switch between a bid price basis and an offer price basis.

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

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.

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

h Counterparty Risk

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

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

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 2019 were £19.2 million.

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

The Fund is in the process of liquidating the legal entities which were incorporated to hold the properties in the respective countries. Good progress has been made in liquidating these entities, and the last remaining legal entity is currently in the process of being liquidated. Following the interim payment made on 15 July 2019, 129.8% of the Fund's Net Asset Value at suspension, has been paid out to investors. With this payment we have returned the majority of the Fund's value to investors.

We continue to be mindful of the need to return proceeds to investors as quickly as possible and expect to be in a position to make any final payments in Q1 2020. This is however dependant on tax clearance and closure of the final accounts of the last remaining legal entity; this is 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 were no loans advanced on the purchase of properties and 4 loan repayments and sales during the period.

Sales

Asia Pacific Investment Holdings Pte Ltd

Shore Profit Participating Loan

Asia Pacific Investment Holdings SARL

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

† Investment managed by a related party.

Performance History – Income Shares

Calendar year	Share Class A (GBP) %	Share Class I (GBP) %	Share Class A (USD) %
31.12.13 to 31.12.14	-2.78	-1.94	-8.56
31.12.14 to 31.12.15	N/A	N/A	N/A
31.12.15 to 31.12.16	N/A	N/A	N/A
31.12.16 to 31.12.17	N/A	N/A	N/A
31.12.17 to 31.12.18	N/A	N/A	N/A

Performance History – Accumulation Shares

Calendar year	Share Class A (GBP) %	Share Class I (GBP) %	Share Class A (EUR) %	Share Class A (USD) %
31.12.13 to 31.12.14	-2.04	-1.34	4.77	-7.48
31.12.14 to 31.12.15	N/A	N/A	N/A	N/A
31.12.15 to 31.12.16	N/A	N/A	N/A	N/A
31.12.16 to 31.12.17	N/A	N/A	N/A	N/A
31.12.17 to 31.12.18	N/A	N/A	N/A	N/A

All performance figures are on a total return basis, net of tax, income reinvested to 31 December 2017. The figures do not include the effect of any Entry Charge and any Exit Charge

COMPARATIVE TABLES

Class A (GBP) Income	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	92.67	93.25	102.23
Return before operating charges [†]	89.75	2.41	(6.37)
Operating charges	(2.76)	(2.99)	(2.61)
Return after operating charges [†]	86.99	(0.58)	(8.98)
Distributions	–	–	–
Closing net asset value per share	179.66	92.67	93.25
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	93.87%	(0.62)%	(8.78)%
Other information			
Closing net asset value (£000)	308	8,496	8,549
Closing number of shares	171,143	9,167,535	9,167,535
Operating charges (%) [†]	2.98%	3.22%	2.77%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	166.65	94.26	99.22
Lowest share price	89.90	91.27	83.92

Class A (USD) Income	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	86.57	89.39	94.89
Return before operating charges [†]	115.84	0.07	(3.12)
Operating charges	(2.52)	(2.89)	(2.38)
Return after operating charges [†]	113.32	(2.82)	(5.50)
Distributions	–	–	–
Closing net asset value per share	199.89	86.57	89.39
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	130.90%	(3.15)%	(5.80)%
Other information			
Closing net asset value (£000)	–	9	10
Closing number of shares	236	14,381	14,381
Operating charges (%) [†]	2.98%	3.22%	2.77%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	143.70	95.87	91.37
Lowest share price	80.41	84.70	75.29

Class I (GBP) Income	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	104.74	104.73	113.87
Return before operating charges [†]	100.32	2.72	(7.07)
Operating charges	(2.80)	(2.71)	(2.07)
Return after operating charges [†]	97.52	0.01	(9.14)
Distributions	–	–	–
Closing net asset value per share	202.26	104.74	104.73
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	93.11%	0.01%	–
Other information			
Closing net asset value (£000)	33	924	924
Closing number of shares	16,482	882,327	882,327
Operating charges (%) [†]	2.68%	2.59%	1.97%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	189.08	105.88	110.56
Lowest share price	101.96	102.91	93.63

Class A (GBP) Accumulation	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	143.90	144.79	156.44
Return before operating charges [†]	139.58	3.76	(7.63)
Operating charges	(4.28)	(4.65)	(4.02)
Return after operating charges [†]	135.30	(0.89)	(11.65)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	279.20	143.90	144.79
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	94.02%	(0.61)%	(7.45)%
Other information			
Closing net asset value (£000)	360	9,944	10,012
Closing number of shares	128,894	6,910,396	6,914,672
Operating charges (%) [†]	2.98%	3.22%	1.97%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	258.98	146.37	149.28
Lowest share price	139.71	141.72	130.30

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	520.33	526.65	583.12
Return before operating charges [†]	701.86	10.54	(41.65)
Operating charges	(15.54)	(16.86)	(14.82)
Return after operating charges [†]	686.32	(6.32)	(56.47)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	1,206.65	520.33	526.65
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	131.90%	(1.20)%	(9.68)%
Other information			
Closing net asset value (£000)	2	63	63
Closing number of shares	230	13,582	13,582
Operating charges (%) [†]	2.98%	3.22%	2.77%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	915.40	540.59	568.35
Lowest share price	503.46	510.44	493.10

Class A (USD) Accumulation	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	439.83	454.09	475.21
Return before operating charges [†]	592.98	0.39	(9.18)
Operating charges	(12.80)	(14.65)	(11.94)
Return after operating charges [†]	580.18	(14.26)	(21.12)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	1,020.01	439.83	454.09
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	131.91%	(3.14)%	(4.44)%
Other information			
Closing net asset value (£000)	4	89	89
Closing number of shares	431	26,314	26,314
Operating charges (%) [†]	2.98%	3.22%	2.77%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	733.10	487.09	464.15
Lowest share price	410.08	430.34	382.50

Class I (GBP) Accumulation	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	168.24	168.22	180.30
Return before operating charges [†]	161.19	4.37	(8.78)
Operating charges	(4.50)	(4.35)	(3.30)
Return after operating charges [†]	156.69	0.02	(12.08)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	324.93	168.24	168.22
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	93.13%	0.01%	(6.70)%
Other information			
Closing net asset value (£000)	8	213	206
Closing number of shares	2,362	126,442	122,765
Operating charges (%) [†]	2.68%	2.59%	1.97%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	303.75	170.07	172.63
Lowest share price	163.80	165.30	150.39

[‡] 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.

Ongoing Charges Figure*

Share class	OCF* 30.09.19	PER** 30.09.19	OCF* 30.09.18	PER** 30.09.18
Class A (GBP)	1.98%	1.00%	1.98%	0.83%
Class A (EUR)	1.98%	1.00%	1.98%	0.83%
Class A (USD)	1.98%	1.00%	1.98%	0.83%
Class I (GBP)	1.68%	1.00%	1.68%	0.83%

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

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

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2019

Investment	Market Value	
	£000	% of Net Assets
Direct properties 0.00% (0.00%)		
Total direct properties	–	–
Liquidity Funds 0.00% (0.02%)		
Liquidity Funds total	–	–
Investment assets	–	–
Net other assets	715	100.00
Net assets	715	100.00

The comparative percentage figures in brackets are as at 30 September 2018.

FUND PORTFOLIO STATEMENT

As at 30 September 2019

Investment	Currency	Holding	Market Value		
			£000	% of Net Assets	
Luxembourg 26.99% (10.47%)					
Asia Pacific Investment Holdings SARL	§	GBP	–	193	26.99
Luxembourg total				193	26.99
New Zealand 0.00% (16.95%)					
Singapore 0.00% (66.91%)					
Liquidity Funds 0.00% (0.02%)					
Investment assets				193	26.99
Net other assets				522	73.01
Net assets				715	100.00

The comparative percentage figures in brackets are as at 30 September 2018.

§ All holdings are unquoted securities.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2019

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Income					
Net capital gains	2	436	345	349	288
Revenue	3	11	19	–	–
Expenses	4	(512)	(1,022)	(356)	(402)
Net expense before taxation		(501)	(1,003)	(356)	(402)
Taxation	5	58	543	–	(1)
Net expense after taxation		(443)	(460)	(356)	(403)
Total expense before distributions		(7)	(115)	(7)	(115)
Distributions	6	–	–	–	–
Change in net assets attributable to shareholders from investment activities		(7)	(115)	(7)	(115)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2019

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Opening net assets attributable to shareholders	19,738	19,853	19,738	19,853
Movements due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares	(19,016)	–	(19,016)	–
	(19,016)	–	(19,016)	–
Change in net assets attributable to shareholders from investment activities (see above)	(7)	(115)	(7)	(115)
Closing net assets attributable to shareholders	715	19,738	715	19,738

BALANCE SHEET

As at 30 September 2019

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		As at 30.09.19 £000	As at 30.09.18 £000	As at 30.09.19 £000	As at 30.09.18 £000
Current assets:					
Investments available for sale		–	–	193	18,619
Debtors	8	–	28	–	–
Cash and bank balances	9	816	20,492	573	1,484
Cash equivalents	10	–	3	–	3
Total assets		816	20,523	766	20,106
Liabilities:					
Creditors:					
Distribution payable		–	(238)	–	(238)
Other creditors	11	(101)	(547)	(51)	(130)
Total liabilities		(101)	(785)	(51)	(368)
Net assets attributable to shareholders		715	19,738	715	19,738

CASH FLOW STATEMENT

For the year ended 30 September 2019

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net cash (outflow)/inflow from operating activities	14	(278)	(327)	56	2,326
Taxation					
Taxation paid		(373)	(1)	(243)	(21)
		(373)	(1)	(243)	(21)
Financial investments					
Purchases of investments		–	–	–	(3,297)
Sales of investments		–	–	18,504	576
Fees paid from capital		(330)	(330)	(334)	(330)
		(330)	(330)	18,170	(3,051)
Financing					
Amounts paid on cancellation of shares		(19,016)	–	(19,016)	–
Exchange rate movement		318	(754)	119	262
		(18,698)	(754)	(18,897)	262
Decrease in cash in the year	13	(19,679)	(1,412)	(914)	(484)
Net cash at the start of the year	13	20,495	21,907	1,487	1,971
Net cash at the end of the year	13	816	20,495	573	1,487

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 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
The net capital gains on investments during the year comprise:				
Currency losses on other capital items	(3)	(209)	(3)	(209)
Non-derivative securities gains	–	–	352	497
Change in Fair Value – Investment asset	439	554	–	–
Net capital gains*	436	345	349	288

* Total realised gains for the year were £9,187,327 (2018: losses £23,013,314) and the movement in unrealised losses was £8,751,212 (2018: gains £23,358,153). 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 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Bank and deposit interest	–	19	–	–
Other income	11	–	–	–
Total revenue	11	19	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Payable to the Authorised Corporate Director, associates of the ACD or agents of either of them:				
Fund Management Fee/ACD's periodic charge*	306	334	306	334
Registration fees	–	(15)	–	(15)
	306	319	306	319
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	–	51	–	51
Interest payable	–	266	–	7
	–	317	–	58
Other expenses				
Administrative expenses	58	69	–	–
Audit fee**	7	65	–	21
Closure costs	50	–	50	–
Legal & Professional fees	18	45	–	–
Other fees	73	201	–	–
Other property operating expenses	–	2	–	–
Statement fees	–	4	–	4
	206	386	50	25
Total expenses	512	1,022	356	402

* 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 £29,072 (2018: £45,076) 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 30.09.19	Year ended 30.09.18	Year ended 30.09.19	Year ended 30.09.18
	£000	£000	£000	£000
Overseas tax written back	(58)	(544)	–	–
Prior period adjustments	–	1	–	1
Total tax for year (see note 5b)	(58)	(543)	–	1

b Factors affecting current tax charge

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2018: 20%).

The differences are explained below:

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.19	Year ended 30.09.18	Year ended 30.09.19	Year ended 30.09.18
	£000	£000	£000	£000
Net expense before taxation	(501)	(1,003)	(356)	(402)
Corporation tax at 20%	(100)	(201)	(71)	(80)
Effects of:				
Movement in excess expenses	100	201	71	80
Overseas tax (written back)/suffered	(58)	(544)	–	–
Prior year adjustment	–	1	–	1
	42	(342)	71	81
Total tax for the year (see note 5a)	(58)	(543)	–	1

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 (2018: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £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				
ACD's periodic charge borne by the capital account	(306)	(334)	(306)	(334)
Other fees borne by capital account	(137)	-	(50)	-
Net expense recoverable/(payable) from capital	-	(126)	-	(69)
Net expense after taxation	(443)	(460)	(356)	(403)

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 30.09.19 Assets £000	As at 30.09.18 Assets £000	As at 30.09.19 Assets £000	As at 30.09.18 Assets £000
Level 2: Observable market data	-	3	-	3
Level 3: Unobservable data	-	-	193	18,619
Total value	-	3	193	18,622

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 30.09.19	As at 30.09.18	As at 30.09.19	As at 30.09.18
	£000	£000	£000	£000
Prepaid expenses	–	23	–	–
VAT recoverable	–	5	–	–
Total debtors	–	28	–	–

9 Cash and bank balances

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.19	As at 30.09.18	As at 30.09.19	As at 30.09.18
	£000	£000	£000	£000
Cash and bank balances	816	20,492	573	1,484

10 Cash equivalents

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.19	As at 30.09.18	As at 30.09.19	As at 30.09.18
	£000	£000	£000	£000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	–	3	–	3

11 Other creditors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.19	As at 30.09.18	As at 30.09.19	As at 30.09.18
	£000	£000	£000	£000
Accrued expenses	51	90	1	27
Other creditors	50	269	50	–
Withholding tax payable	–	188	–	103
Total other creditors	101	547	51	130

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2018: £nil).

13 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors Asia Pacific Property Fund £000
Cash and cash equivalents:		
As at 30.09.18	20,495	1,487
Cash flows	(19,679)	(914)
As at 30.09.19	816	573

14 Reconciliation of net revenue before taxation to net cash (outflow)/inflow from operating activities

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net expense before taxation	(501)	(1,003)	(356)	(402)
Add: ACD fees paid from capital	330	330	330	330
Decrease/(increase) in debtors (excluding capital items)	287	(3)	–	2,035
Increase in creditors (excluding capital items)	(394)	349	82	363
Net cash (outflow)/inflow from operating activities	(278)	(327)	56	2,326

15 Related party transactions

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

Fund Management Fee/ACD periodic charges 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 Fund Management Fee/ACD periodic charges was £913 (2018: £26,532) and registration fees was £nil (2018: £nil). 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 (2018: £nil). The amount outstanding at the year end was £nil (2018: £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 (2018: £nil) and £2,973 (2018: £nil) respectively. The income received during the year amounted to £9 (2018: £12).

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

	Holdings at 30.09.19 (shares)	Movement (shares)	Holdings at 01.10.18 (shares)
ACD and related parties (share class A (GBP) income)	116,167	(6,107,593)	6,223,760
ACD and related parties (share class I (GBP) income)	1,709	(89,794)	91,503
ACD and related parties (share class A (GBP) accumulation)	127,418	(6,703,849)	6,831,267
ACD and related parties (share class A (EUR) accumulation)	–	(192)	192
ACD and related parties (share class I (GBP) accumulation)	122	(6,266)	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 01.10.18	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.19
Share class A (GBP) income	9,167,535	–	(8,996,392)	–	171,143
Share class A (USD) income	14,381	–	(14,145)	–	236
Share class I (GBP) income	882,327	–	(865,845)	–	16,482
Share class A (GBP) accumulation	6,910,396	–	(6,781,502)	–	128,894
Share class A (EUR) accumulation	13,582	–	(13,352)	–	230
Share class A (USD) accumulation	26,314	–	(25,883)	–	431
Share class I (GBP) accumulation	126,442	–	(124,080)	–	2,362

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 (2018: £nil).

Currency risk

At the year end date, 46.88% (2018: 23.17%) 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 4.69% (2018: 2.32%).

At the year end date, 46.88% (2018: 23.17%) 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 4.69% (2018: 2.32%).

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
	30.09.19	30.09.19	30.09.19	30.09.19	30.09.19	30.09.19
Australian Dollar	–	6	6	–	6	6
Euro	–	287	287	–	287	287
US Dollar	–	43	43	–	43	43

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 114.07% (2018: 99.97%) of the net assets of the Company were interest bearing. At the year end date 80.07% (2018: 24.49%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, predominantly cash at bank and creditors, the interest rate risk is not considered significant.

The interest rate profile of the financial assets and liabilities at 30 September 2019 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	480	–	–	480	237	–	193	430
Australian Dollar	6	–	–	6	6	–	–	6
Euro	287	–	–	287	287	–	–	287
US Dollar	43	–	–	43	43	–	–	43
Financial Liabilities								
Sterling	–	–	(101)	(101)	–	–	(51)	(51)
Total	816	–	(101)	715	573	–	142	715

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 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% (2018: 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% (2018: nil%).

At the year end date, nil% (2018: 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% (2018: 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 2019 (2018: £nil). The total purchases for the year amounted to £nil (2018: £280,781) and the total sales amounted to £18,502,983 (2018: £nil).

20 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2018: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2019

Income shares		Gross revenue	Equalisation	Final distribution payable 30 November 2019	Final distribution paid 30 November 2018
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 2019	Final distribution paid 30 November 2018
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 31 March 2019.

Interim distribution paid in pence/cents per share for the six months ended 31 March 2019

Income shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2019	Interim distribution paid 31 May 2018
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 2019	Interim distribution paid 31 May 2018
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 2018.

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.

FUND MANAGER'S REPORT

Fund Profile and Portfolio Review

Total assets under management as at 30 September 2019 were £40.7million.

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

As at 30th September 2019, eleven of the Fund's twelve holdings have been disposed of, with one asset remaining within the Fund. Negotiations remain underway in respect of the disposal of the final asset, an industrial facility in Katowice, Poland, which remains fully-let and income producing.

The Fund has a complex structure and the proceeds of the property sales must pass through the underlying holding company structures. Where assets have been sold the holding structures are being prepared for or are in the process of being liquidated. To date, five of the Fund's holding structures have been closed, with five holding structures remaining.

Due to the numerous regions of the underlying legal structures, we are not yet in a position where a date can be given 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 as the sale is expected to be structured as a corporate sale which will not, therefore, require the liquidation process associated with the Fund's other underlying legal structures.

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 no sales of property during the year.

AVIVA INVESTORS EUROPEAN PROPERTY FUND (CONTINUED)

FUND MATERIAL PORTFOLIO CHANGES

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

Sales

Megaron B Holding
Hochst Holding Perpetual
Salzgitter Financing Perpetual
Galileo Financing Perpetual
Salzgitter Holding 12/06/2020
European Property Holdings SARL
Munich Financing
Hochst Equity ZCP
Gretlade Financing ZCP Perpetual
Sundsvall Financing ZCP Perpetual

Performance History – Income Shares

Calendar year	Share Class A (GBP) %	Share Class R (GBP) %	Share Class I (GBP) %	Share Class A (EUR) %
31.12.13 to 31.12.14	-6.14	-6.20	-5.57	0.31
31.12.14 to 31.12.15	-7.17	-7.12	-6.60	-1.65
31.12.15 to 31.12.16	N/A	N/A	N/A	N/A
31.12.16 to 31.12.17	N/A	N/A	N/A	N/A
31.12.17 to 31.12.18	N/A	N/A	N/A	N/A

Performance History – Accumulation Shares

Calendar year	Share Class A (EUR) %	Share Class I (EUR) %	Share Class A (USD) %
31.12.13 to 31.12.14	1.10	1.70	-10.74
31.12.14 to 31.12.15	-1.69	-1.09	-11.90
31.12.15 to 31.12.16	N/A	N/A	N/A
31.12.16 to 31.12.17	N/A	N/A	N/A
31.12.17 to 31.12.18	N/A	N/A	N/A

All performance figures are on a total return basis, net of tax, income reinvested to 31 December 2017. The figures do not include the effect of any Entry Charge and any Exit Charge.

COMPARATIVE TABLES

Class A (GBP) Income	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	91.59	103.98	106.71
Return before operating charges [†]	1.06	(7.30)	2.31
Operating charges	(5.12)	(5.09)	(3.74)
Return after operating charges [†]	(4.06)	(12.39)	(1.43)
Distributions	–	–	(1.30)
Closing net asset value per share	87.53	91.59	103.98
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.43%)	(11.92%)	(1.34%)
Other information			
Closing net asset value (£000)	271	402	645
Closing number of shares	310,172	439,336	620,752
Operating charges (%) [†]	5.72%	5.27%	3.54%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	92.39	105.58	110.81
Lowest share price	85.48	89.64	100.17

Class A (EUR) Income	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	88.26	100.79	106.00
Return before operating charges [†]	1.06	(7.61)	(0.27)
Operating charges	(4.95)	(4.92)	(3.67)
Return after operating charges [†]	(3.89)	(12.53)	(3.94)
Distributions	–	–	(1.27)
Closing net asset value per share	84.37	88.26	100.79
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.41%)	(12.43%)	(3.72%)
Other information			
Closing net asset value (£000)	8	12	19
Closing number of shares	10,589	14,985	21,184
Operating charges (%) [†]	5.72%	5.27%	3.54%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	87.92	100.83	106.99
Lowest share price	83.35	87.10	101.68

Class R (GBP) Income	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	91.04	103.36	106.08
Return before operating charges [†]	1.06	(7.26)	2.29
Operating charges	(5.09)	(5.06)	(3.72)
Return after operating charges [†]	(4.03)	(12.32)	(1.43)
Distributions	–	–	(1.29)
Closing net asset value per share	87.01	91.04	103.36
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.43%)	(11.92%)	(1.35%)
Other information			
Closing net asset value (£000)	1,634	2,422	3,884
Closing number of shares	1,877,889	2,659,882	3,758,240
Operating charges (%) [†]	5.72%	5.27%	3.54%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	91.84	104.95	110.15
Lowest share price	84.97	89.10	99.57

Class I (GBP) Income	2019 p per share	2018 p per share	2017 p per share
Change in net assets per share			
Opening net asset value per share	91.55	103.28	106.28
Return before operating charges [†]	1.03	(7.24)	2.30
Operating charges	(4.90)	(4.49)	(2.94)
Return after operating charges [†]	(3.87)	(11.73)	(0.64)
Distributions	–	–	(2.36)
Closing net asset value per share	87.68	91.55	103.28
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.23%)	(11.40%)	(0.60%)
Other information			
Closing net asset value (£000)	16,392	24,231	38,641
Closing number of shares	18,694,774	26,479,378	37,412,629
Operating charges (%) [†]	5.47%	4.66%	2.79%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	92.36	104.89	110.57
Lowest share price	85.55	89.50	100.17

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	118.91	136.03	141.29
Return before operating charges [†]	1.45	(10.47)	(0.35)
Operating charges	(6.68)	(6.65)	(4.91)
Return after operating charges [†]	(5.23)	(17.12)	(5.26)
Distributions	–	–	(1.70)
Retained distributions on accumulation shares	–	–	1.70
Closing net asset value per share	113.68	118.91	136.03
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.40%)	(12.59%)	(3.72%)
Other information			
Closing net asset value (£000)	1,307	1,935	3,111
Closing number of shares	1,294,839	1,832,335	2,590,352
Operating charges (%) [†]	5.72%	5.27%	3.54%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	118.46	137.08	142.64
Lowest share price	112.30	117.36	136.27

Class A (USD) Accumulation	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	247.67	289.00	283.70
Return before operating charges [†]	(10.84)	(27.09)	15.04
Operating charges	(13.54)	(14.24)	(9.74)
Return after operating charges [†]	(24.38)	(41.33)	5.30
Distributions	–	–	(3.44)
Retained distributions on accumulation shares	–	–	3.44
Closing net asset value per share	223.29	247.67	289.00
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(9.84%)	(14.30%)	1.87%
Other information			
Closing net asset value (£000)	24	36	59
Closing number of shares	13,514	19,174	27,088
Operating charges (%) [†]	5.72%	5.27%	3.54%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	247.30	294.09	297.13
Lowest share price	224.43	239.53	259.37

Class I (EUR) Accumulation	2019 c per share	2018 c per share	2017 c per share
Change in net assets per share			
Opening net asset value per share	128.44	146.08	150.58
Return before operating charges [†]	1.56	(11.31)	(0.37)
Operating charges	(6.90)	(6.33)	(4.13)
Return after operating charges [†]	(5.34)	(17.64)	(4.50)
Distributions	–	–	(3.33)
Retained distributions on accumulation shares	–	–	3.33
Closing net asset value per share	123.10	128.44	146.08
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.16%)	(12.08%)	(2.99%)
Other information			
Closing net asset value (£000)	9,568	14,132	22,586
Closing number of shares	8,755,680	12,390,492	17,515,984
Operating charges (%) [†]	5.47%	4.66%	2.79%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	127.95	147.22	152.23
Lowest share price	121.53	126.73	145.79

‡ 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.

Ongoing Charges Figure*

Share class	OCF*	PER**	OCF*	PER**
	30.09.19	30.09.18	30.09.19	30.09.18
Class A (GBP)	2.14%	3.66%	2.14%	4.88%
Class A (EUR)	2.14%	3.66%	2.14%	4.88%
Class A (USD)	2.14%	3.66%	2.14%	4.88%
Class R (GBP)	2.14%	3.66%	2.14%	4.88%
Class I (GBP)	1.89%	3.66%	1.89%	4.88%
Class I (EUR)	1.89%	3.66%	1.89%	4.88%

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

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

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2019

Investment	Currency	Market Value £000	% of Net Assets
Direct Properties 33.22% (26.18%)			
Market value up to £2,500,000 0.00% (0.00%)			
Market value between £2,500,000 and £5,000,000 0.00% (0.00%)			
Market value between £5,000,000 and £7,500,000 0.00% (0.00%)			
Market value over £7,500,000 33.22% (26.18%)			
Poland Rockwell Automation, ul.Roździeńska 49, Katowice, Poland	EUR	9,703	33.22
Total Market value over £7,500,000		9,703	33.22
Total direct properties		9,703	33.22
Investment assets		9,703	33.22
Net other assets		19,501	66.78
Net assets		29,204	100.00

The comparative percentage figures in brackets are as at 30 September 2018.

FUND PORTFOLIO STATEMENT

As at 30 September 2019

Investment		Currency	Holding	Market Value £000	% of Net Assets
France 0.00% (5.61%)					
Germany 13.61% (52.78%)					
Megaron B Equity ZCP Perpetual	§	EUR	1,092,750	959	3.28
Megaron B Financing Perpetual	§	EUR	200,000	175	0.60
Megaron B Holding	§	EUR	2,126,709	2,843	9.73
Germany total				3,977	13.61
Luxembourg 7.67% (2.03%)					
European Property Holdings SARL	§	EUR	5,726	2,240	7.67
Luxembourg total				2,240	7.67
Poland 37.08% (28.56%)					
Katowice Equity ZCP Perpetual	§	EUR	531,525	441	1.51
Katowice Financing	§	EUR	6,150,558	6,939	23.76
Katowice Holding ZCP Perpetual	§	EUR	2,297,060	3,448	11.81
Poland total				10,828	37.08
Spain 0.00% (0.02%)					
Sweden 6.77% (4.64%)					
Kista Financing Perpetual	§	SEK	24,669,672	1,976	6.77
Sweden total				1,976	6.77
Investment assets				19,021	65.13
Net other assets				10,183	34.87
Net assets				29,204	100.00

The comparative percentage figures in brackets are as at 30 September 2018.

§ All holdings are unquoted securities.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2019

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Income					
Net capital losses	2	(369)	(4,341)	(791)	(6,112)
Revenue	3	1,337	2,280	6	7
Expenses	4	(2,685)	(4,034)	(822)	(684)
Net expense before taxation		(1,348)	(1,754)	(816)	(677)
Taxation	5	109	(733)	(1)	(39)
Net expense after taxation		(1,239)	(2,487)	(817)	(716)
Total expense before distributions		(1,608)	(6,828)	(1,608)	(6,828)
Distributions	6	-	-	-	-
Change in net assets attributable to shareholders from investment activities		(1,608)	(6,828)	(1,608)	(6,828)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2019

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Opening net assets attributable to shareholders	43,170	68,945	43,170	68,945
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	-	-	-	-
Amounts payable on cancellation of shares	(12,358)	(18,947)	(12,358)	(18,947)
	(12,358)	(18,947)	(12,358)	(18,947)
Change in net assets attributable to shareholders from investment activities (see above)	(1,608)	(6,828)	(1,608)	(6,828)
Retained distribution on accumulation shares	-	-	-	-
Closing net assets attributable to shareholders	29,204	43,170	29,204	43,170

BALANCE SHEET

As at 30 September 2019

	Notes	Consolidated		Aviva Investors European Property Fund	
		As at 30.09.19 £000	As at 30.09.18 £000	As at 30.09.19 £000	As at 30.09.18 £000
Current assets:					
Investments available for sale		9,703	11,304	19,021	40,420
Debtors	8	1,005	1,293	–	43
Cash and bank balances	9	19,509	33,283	10,253	2,767
Total assets		30,217	45,880	29,274	43,230
Liabilities:					
Creditors:					
Other creditors	10	(1,013)	(2,710)	(70)	(60)
Total liabilities		(1,013)	(2,710)	(70)	(60)
Net assets attributable to shareholders		29,204	43,170	29,204	43,170

CASH FLOW STATEMENT

For the year ended 30 September 2019

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net cash (outflow)/inflow from operating activities	13	(622)	138	(725)	(333)
Taxation					
Taxation paid		(537)	(587)	–	(39)
		(537)	(587)	–	(39)
Financial investments					
Sales of investments		9	6,165	20,597	18,473
		9	6,165	20,597	18,473
Financing					
Amounts paid on cancellation of shares		(12,358)	(18,947)	(12,358)	(18,947)
Exchange rate movement		(266)	(1,191)	(28)	(1,162)
		(12,624)	(20,138)	(12,386)	(20,109)
(Decrease)/increase in cash in the year	12	(13,774)	(14,422)	7,486	(2,008)
Net cash at the start of the year	12	33,283	47,705	2,767	4,775
Net cash at the end of the year	12	19,509	33,283	10,253	2,767

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 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
The net capital losses on investments during the year comprise:				
Currency gains on other capital items	11	25	11	25
Direct property losses	(380)	(4,629)	–	–
Non-derivative securities gains/(losses)	–	263	(802)	(6,137)
Net capital losses*	(369)	(4,341)	(791)	(6,112)

* Total realised losses for the year were £17,536,667 (2018: losses £39,823,935) and the movement in unrealised gain was £17,168,433 (2018: gains £35,483,041). Included in realised (losses)/gains for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Bank and deposit interest	6	(60)	6	7
Rental revenue	1,331	2,340	–	–
Total revenue	1,337	2,280	6	7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:				
Fund Management Fee/ACD's periodic charge*	755	579	754	579
Registration fees	–	37	–	37
	755	616	754	616
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	–	24	–	24
Interest payable	186	104	8	–
Safe custody fee	–	–	–	–
	186	128	8	24
Other expenses:				
Administrative expenses	574	528	–	–
Audit fee**	63	244	–	26
Closure costs	60	–	60	–
Electricity	–	32	–	–
Insurance	40	36	–	–
Legal & Professional fees	119	340	–	–
Maintenance costs	–	83	–	–
Other expenses	–	–	–	16
Other fees	650	1,334	–	–
Other property operating expenses	79	(16)	–	–
Printing & postage expenses	–	(2)	–	(2)
Property management fees	21	149	–	–
Property taxes	138	562	–	–
Statement fees	–	4	–	4
Water rates	–	(4)	–	–
	1,744	3,290	60	44
Total expenses	2,685	4,034	822	684

* 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 £71,724 (2018: £101,289) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Overseas tax suffered	(109)	691	1	(3)
Prior period adjustments	–	42	–	42
Total current tax for year (see note 5b)	(109)	733	1	39

b Factors affecting current tax charge

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund 20% (2018: 20%).

The differences are explained below:

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net expense before taxation	(1,348)	(1,754)	(816)	(677)
Corporation tax at 20%	(270)	(351)	(163)	(135)
Effects of:				
Income tax irrecoverable	1	–	–	–
Overseas tax suffered	(109)	691	1	(3)
Prior year adjustment	–	42	–	42
Tax deductible interest distributions	269	351	163	135
	161	1,084	164	174
Total tax for the year (see note 5a)	(109)	733	1	39

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 (2018: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £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	-	-	-	-
Prior year tax adjustment	-	-	-	-
Distributions	-	-	-	-
Reconciliation of distributions for the year to net revenue after taxation				
Net expenses payable from capital	(1,179)	(2,487)	(757)	(716)
Other expenses borne by the capital account	(60)	-	(60)	-
Prior year tax adjustment	-	-	-	-
Net expense after taxation	(1,239)	(2,487)	(817)	(716)

Details of the distributions per share are set out in the distribution tables on pages 44 and 45.

7 Fair value hierarchy

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.19 Assets £000	As at 30.09.18 Assets £000	As at 30.09.19 Assets £000	As at 30.09.18 Assets £000
Valuation technique				
Level 3: Unobservable data	-	-	19,021	40,420
Total value	-	-	19,021	40,420

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. Disposal discussions continue with a previous bidder on the asset. However, the occupier has expressed interest in extending their lease and negotiations are ongoing to seek to obtain best value for the asset and enhance its marketability. 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 30.09.19 £000	As at 30.09.18 £000	As at 30.09.19 £000	As at 30.09.18 £000
Accrued revenue	386	245	–	–
Other debtors	351	257	–	–
Overseas tax recoverable	–	1	–	1
Prepaid expenses	268	347	–	42
VAT recoverable	–	443	–	–
Total debtors	1,005	1,293	–	43

9 Cash and bank balances

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.19 £000	As at 30.09.18 £000	As at 30.09.19 £000	As at 30.09.18 £000
Cash and bank balances	19,509	33,283	10,253	2,767

10 Other creditors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.19 £000	As at 30.09.18 £000	As at 30.09.19 £000	As at 30.09.18 £000
Accrued expenses	616	469	10	60
Deferred income	183	180	–	–
Income tax payable	3	1	–	–
Other creditors	137	1,069	60	–
Overseas tax provision	5	654	–	–
Trade creditors	35	145	–	–
VAT payable	34	192	–	–
Total other creditors	1,013	2,710	70	60

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2018: £nil).

12 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors European Property Fund £000
Cash and cash equivalents:		
As at 30.09.18	33,283	2,767
Cash flows	(13,774)	7,486
As at 30.09.19	19,509	10,253

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.19 £000	Year ended 30.09.18 £000	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net expense before taxation	(1,348)	(1,754)	(816)	(677)
Decrease in debtors (excluding capital items)	287	2,213	42	248
Increase/(decrease) in creditors (excluding capital items)	439	(321)	49	97
Net cash (outflow)/inflow from operating activities	(622)	138	(725)	(333)

14 Related party transactions

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

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 £10,355 (2018: £59,666). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2018: £nil). The amount outstanding at the year end was £nil (2018: £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 (2018: £nil) and £nil (2018: £2,924,191) respectively. The income received during the year amounted to £nil (2018: £nil).

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

	Holdings at 30.09.19 (shares)	Movement (shares)	Holdings at 01.10.18 (shares)
ACD and related parties (share class R (GBP) income)	1,140,868	(475,295)	1,616,163
ACD and related parties (share class I (GBP) income)	15,388,698	(6,407,936)	21,796,634
ACD and related parties (share class A (EUR) accumulation)	–	(1,643,242)	1,643,242
ACD and related parties (share class I (EUR) accumulation)	6,176,401	(2,564,057)	8,740,458

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

15 Shareholder funds

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

Class A: 2.14%

Class R: 2.14%

Class I: 1.89%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 29 and 30. The distributions per share class are given in the distribution tables on pages 44 and 45. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Shares in issue reconciliation

	Number of shares in issue at 01.10.18	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.19
Share class A (GBP) income	439,336	–	(129,164)	–	310,172
Share class A (EUR) income	14,985	–	(4,396)	–	10,589
Share class R (GBP) income	2,659,882	–	(781,993)	–	1,877,889
Share class I (GBP) income	26,479,378	–	(7,784,604)	–	18,694,774
Share class A (EUR) accumulation	1,832,335	–	(537,496)	–	1,294,839
Share class A (USD) accumulation	19,174	–	(5,660)	–	13,514
Share class I (EUR) accumulation	12,390,492	–	(3,634,812)	–	8,755,680

17 Derivatives and other financial instruments

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

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2018: £nil).

Foreign currency risk

At the year end date, 100.11% (2018: 94.64%) 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 10.01% (2018: 9.46%).

At the year end date, 100.11% (2018: 94.64%) 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 10.01% (2018: 9.46%).

	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000 30.09.19	Monetary exposure £000 30.09.19	Total £000 30.09.19	Non monetary exposure £000 30.09.19	Monetary exposure £000 30.09.19	Total £000 30.09.19
Currency						
Euro	9,703	17,548	27,251	17,045	10,214	27,259
Swedish Krona	–	1,984	1,984	1,976	–	1,976
US Dollar	–	2	2	–	2	2

	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
Currency						
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 68.99% (2018: 78.19%) of the net assets of the Company were interest bearing. At the year end date 100.24% (2018: 95.49%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, predominantly cash at bank, debtors and creditors, the interest rate risk is not considered significant.

The interest rate profile of the Fund's financial assets and liabilities at 30 September 2019 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	37	–	–	37	37	–	–	37
Euro	18,222	–	9,029	27,251	27,259	–	–	27,259
Swedish Krona	1,886	–	98	1,984	1,976	–	–	1,976
US Dollar	2	–	–	2	2	–	–	2
Financial Liabilities								
Sterling	–	–	(70)	(70)	–	–	(70)	(70)
Total	20,147	–	9,057	29,204	29,274	–	(70)	29,204

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 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% (2018: nil%) of the net assets of the Company were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Company would change by nil% (2018: nil%).

At the year end date, nil% (2018: nil%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by nil% (2018: nil%).

18 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 30 September 2019 (2018: £nil). The total purchases for the year amounted to £nil (2018: £nil) and the total sales amounted to £20,587,877 (2018: £18,428,793).

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2018: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2019

Income shares		Net revenue	Equalisation	Final distribution payable 30 November 2019	Final distribution paid 30 November 2018
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p

Accumulation shares		Net revenue	Equalisation	Final distribution payable 30 November 2019	Final distribution paid 30 November 2018
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class I (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2019.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence/cents per share for the six months ended 31 March 2019

Income shares		Net revenue	Equalisation	Interim distribution paid 31 May 2019	Interim distribution paid 31 May 2018
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	1.1578p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 May 2019	Interim distribution paid 31 May 2018
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class I (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2018.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2018.

Equalisation

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

AVIVA INVESTORS UK PROPERTY FUND

INVESTMENT OBJECTIVE

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

The Fund is structured as a Property Authorised Investment Fund.

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

INVESTMENT APPROACH

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

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

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

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

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

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

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

RISK PROFILE

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

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

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 to 30 September 2019, the Fund* delivered a total return of -2.57 per cent (Share Class 1 Accumulation net of fees) compared to the Investment Association UK Direct Property Sector average of -0.34%.

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. While this strategy has continued to underpin the majority of the Fund's asset disposals and retentions, and asset management approach, the Fund Managers had sought to build a defensive position in advance of the anticipated 31 October 2019 Brexit deadline and subsequent negotiations**, requiring additional asset disposals.

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 for the long-term. The Fund's portfolio of properties is now 90% aligned with its long-term strategy.

AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Key activities undertaken in the year have included strategic disposals and various asset management transactions as summarised below:

- Eleven strategic disposals which contributed to an increase in the Fund's average property size from £30.6m to £31m, including:
 - Two office buildings outside of our locational strategy in Glasgow and Edinburgh.
 - One office building in Central London where the Fund was able to benefit from international capital generating attractive pricing metrics in the City office market.
 - Two retail assets where a premium to valuation could be achieved in a challenging market.
 - Various industrial assets, including two sub-scale assets, where the Fund took advantage of buoyant pricing in the sector.
- Forty asset management events including:
 - Four rent reviews.
 - Thirteen lease renewals and re-gears.
 - Twenty-three new lettings completed including six lettings at the Fund's Forum St. Paul's office building in the City of London, contributing to a significant uplift in value ahead of the asset's sale in August 2019.

OUTLOOK

Looking ahead, Brexit remains a significant risk to the UK economy and property market. Linked to this, following the UK General Election, the new government's policies also have the potential to disrupt the market in the short term. Whilst the outcomes of both events now have more certainty, the Fund Managers had prepared for a wide range of outcomes and have sought to position the Fund more defensively over the course of the past 12 months by reducing its exposure to non-income producing units and by increasing its cash weighting, which at the end of September stood at 30.9%.

While sales activity over the course of the year means that the Fund's portfolio of properties is now a more concentrated one, it maintains its diversification through its exposure to underlying income streams within the various assets, with income being spread across 184 individual tenancies.

December 2019

* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 30 September 2018 (share class 1 accumulation, net of fees).

** At the time of writing, the Brexit deadline has been extended to 31 January 2020.

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 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

Abacus House, 33 Gutter Lane

Units A&C Prologis Park, Beddinton Lane, Croydon, CR0 4TD

The Pavilion Centre, Brighton

123 St Vincent Street, Glasgow

Specialist Vehicles Ltd, Slyfield Industrial Estate, Dennis Way, Guilford

Boyatt Wood Industrial, Estate Goodward Road, Eastleigh

Interpoint, 22 Haymarket Yards, Edinburgh

Stanstead Rd Industrial, Est Goodward Road, Eastleigh

Orbital 7, Orbital Park, Cannock

Reading, Sainsbury, 52-55 Friar St & 12 Greyfriar's, Road, Reading

Unit 4A Dennis Way,, Slyfield Industrial Estate, Guildford

DIRECT PROPERTY PURCHASES

There were no purchases of property during the year.

AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

Performance History – Income Shares

Calendar year	Share Class 1** %	Share Class 2** %	Share Class 5** %
31.12.13 to 31.12.14	11.15	11.68	11.76
31.12.14 to 31.12.15	0.06	0.55	0.61
31.12.15 to 31.12.16	-3.90	-3.36	-3.32
31.12.16 to 31.12.17	8.54	9.19	9.84
31.12.17 to 31.12.18	3.40	3.70	3.90

Performance History – Income Shares

Calendar year	Share Class 7*** %	Benchmark* %
31.12.13 to 31.12.14	N/A	10.98
31.12.14 to 31.12.15	N/A	9.57
31.12.15 to 31.12.16	N/A	0.48
31.12.16 to 31.12.17	N/A	7.54
31.12.17 to 31.12.18	N/A	3.24

* Benchmark – Investment Association UK Direct Property Sector.

Performance History – Accumulation Shares

Calendar year	Share Class 1** %	Share Class 2** %	Benchmark* %
31.12.13 to 31.12.14	11.28	11.86	10.98
31.12.14 to 31.12.15	0.10	0.60	9.57
31.12.15 to 31.12.16	-3.86	-3.37	0.48
31.12.16 to 31.12.17	8.51	9.06	7.54
31.12.17 to 31.12.18	3.40	3.60	3.24

* Benchmark – Investment Association UK Direct Property Sector.

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

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

COMPARATIVE TABLES

	2019	2018	2017 ^s
Class 1 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	121.53	117.73	117.12
Return before operating charges [†]	(0.53)	7.96	1.13
Operating charges	(2.48)	(1.93)	(0.29)
Return after operating charges [†]	(3.01)	6.03	0.84
Distributions	(2.71)	(2.23)	(0.23)
Closing net asset value per share	115.81	121.53	117.73
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(2.48)%	5.12%	0.72%
Other information			
Closing net asset value (£000)	34,558	24,714	59,862
Closing number of shares	29,839,544	20,335,663	50,845,075
Operating charges (%) [†]	2.05%	1.61%	2.13%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	121.12	126.03	116.87
Lowest share price	116.07	116.54	115.41

	2019	2018	2017 ^s
Class 1 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	183.07	174.04	172.41
Return before operating charges [†]	(0.75)	11.90	2.05
Operating charges	(3.76)	(2.87)	(0.42)
Return after operating charges [†]	(4.51)	9.03	1.63
Distributions	(4.13)	(3.28)	(0.35)
Retained distributions on accumulation shares	4.13	3.28	0.35
Closing net asset value per share	178.56	183.07	174.04
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(2.46)%	5.19%	0.95%
Other information			
Closing net asset value (£000)	67,260	68,940	115,455
Closing number of shares	37,669,223	37,657,336	66,337,309
Operating charges (%) [†]	2.05%	1.61%	2.13%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	182.45	187.70	172.41
Lowest share price	176.40	172.26	170.26

	2019	2018	2017 ^s
Class 2 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	112.70	109.13	108.67
Return before operating charges [†]	(0.14)	7.31	0.93
Operating charges	(2.00)	(1.23)	(0.19)
Return after operating charges [†]	(2.14)	6.08	0.74
Distributions	(3.16)	(2.51)	(0.28)
Closing net asset value per share	107.40	112.70	109.13
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(1.90)%	5.57%	0.68%
Other information			
Closing net asset value (£000)	13,089	85,642	57,451
Closing number of shares	12,187,583	75,990,275	52,645,292
Operating charges (%) [†]	1.77%	1.10%	1.50%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	112.42	113.07	108.32
Lowest share price	107.42	108.02	106.98

	2019	2018	2017 ^s
Class 2 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	130.59	123.71	122.49
Return before operating charges [†]	(0.32)	8.28	1.43
Operating charges	(2.32)	(1.40)	(0.21)
Return after operating charges [†]	(2.64)	6.88	1.22
Distributions	(3.54)	(2.86)	(0.31)
Retained distributions on accumulation shares	3.54	2.86	0.31
Closing net asset value per share	127.95	130.59	123.71
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(2.02)%	5.56%	1.00%
Other information			
Closing net asset value (£000)	37,605	108,097	60,390
Closing number of shares	29,390,289	82,776,296	48,814,949
Operating charges (%) [†]	1.77%	1.10%	1.50%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	130.23	129.87	122.49
Lowest share price	126.09	122.44	120.98

COMPARATIVE TABLES (CONTINUED)

	2019	2018	2017 ^s
	p per share	p per share	p per share
Class 5 Income			
Change in net assets per share			
Opening net asset value per share	117.38	113.66	113.07
Return before operating charges [†]	(0.52)	7.68	1.08
Operating charges	(2.00)	(1.20)	(0.19)
Return after operating charges [†]	(2.52)	6.48	0.89
Distributions	(3.01)	(2.76)	(0.30)
Closing net asset value per share	111.85	117.38	113.66
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(2.15)%	5.70%	0.79%
Other information			
Closing net asset value (£000)	843	1,204	2,750
Closing number of shares	753,685	1,025,954	2,419,534
Operating charges (%) [†]	1.70%	1.03%	1.43%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	117.66	117.72	112.81
Lowest share price	112.25	112.51	111.43

	2019 ^{ss}	2018	2017 ^s
	p per share	p per share	p per share
Class 6 Income			
Change in net assets per share			
Opening net asset value per share	112.44	108.90	108.40
Return before operating charges [†]	(112.25)	7.36	0.97
Operating charges	(0.19)	(1.54)	(0.22)
Return after operating charges [†]	(112.44)	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	111.99	116.77	112.22
Lowest share price	111.27	107.79	106.75

	2019 ^{ss}	2018	2017 ^s
	p per share	p per share	p per share
Class 6 Accumulation			
Change in net assets per share			
Opening net asset value per share	128.92	122.36	121.18
Return before operating charges [†]	(128.70)	8.30	1.43
Operating charges	(0.22)	(1.74)	(0.25)
Return after operating charges [†]	(128.92)	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	128.27	132.21	121.18
Lowest share price	127.44	121.09	112.22

	2019	2018 ^{ss}
	p per share	p per share
Class 7 Income		
Change in net assets per share		
Opening net asset value per share	99.97	100.00
Return before operating charges [†]	(0.50)	1.04
Operating charges	(1.76)	(0.12)
Return after operating charges [†]	(2.26)	0.92
Distributions	(3.17)	(0.95)
Closing net asset value per share	94.54	99.97
[†] after direct transaction costs of	–	–
Performance		
Return after operating charges	(2.26)%	0.92%
Other information		
Closing net asset value (£000)	164	174
Closing number of shares	173,745	173,745
Operating charges (%) [†]	1.77%	1.12%
Direct transaction costs (%) [#]	–	–
Prices[°]		
Highest share price	100.21	100.39
Lowest share price	95.23	99.05

COMPARATIVE TABLES (CONTINUED)

Class D Income	2019 p per share	2018 p per share	2017 [§] p per share
Change in net assets per share			
Opening net asset value per share	103.78	100.74	100.00
Return before operating charges [†]	(0.67)	6.60	1.15
Operating charges	(1.09)	(0.39)	(0.09)
Return after operating charges [†]	(1.76)	6.21	1.06
Distributions	(3.34)	(3.17)	(0.32)
Closing net asset value per share	98.68	103.78	100.74
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(1.70)%	6.16%	1.06%
Other information			
Closing net asset value (£000)	160,316	217,729	320,404
Closing number of shares	162,456,106	209,808,684	318,051,779
Operating charges (%) [‡]	1.05%	0.38%	0.78%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	104.83	104.42	100.73
Lowest share price	98.70	100.77	99.84

Class D Accumulation	2019 p per share	2018 p per share	2017 [§] p per share
Change in net assets per share			
Opening net asset value per share	107.33	101.06	100.00
Return before operating charges [†]	(0.69)	6.67	1.15
Operating charges	(1.13)	(0.40)	(0.09)
Return after operating charges [†]	(1.82)	6.27	1.06
Distributions	(3.53)	(3.00)	(0.34)
Retained distributions on accumulation shares	3.53	3.00	0.34
Closing net asset value per share	105.51	107.33	101.06
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(1.70)%	6.20%	1.06%
Other information			
Closing net asset value (£000)	254,968	351,782	399,510
Closing number of shares	241,649,023	327,762,684	395,303,679
Operating charges (%) [‡]	1.05%	0.38%	0.78%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	108.42	107.23	101.03
Lowest share price	105.16	101.08	99.84

§ This share class was launched on 18 August 2017.

§§ This share class was closed on 26 October 2018.

§§§ This share class was 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.

COMPARATIVE TABLES (CONTINUED)

Ongoing Charges Figure*

Share class	OCF*	PER**	OCF*	PER**
	30.09.19	30.09.19	30.09.18	30.09.18
Class 1	1.02%	0.77%	1.02%	0.08%
Class 2	0.74%	0.77%	0.74%	0.08%
Class 5	0.67%	0.77%	0.67%	0.08%
Class 7	0.74%	0.77%	0.74%	0.08%
Class D	0.02%	0.77%	0.02%	0.08%

* 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.

The PER for the comparative year has been revised due to reallocation of property expenses during the current 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 2019

Investment	Currency	Holding	Market Value £000	% of Net Assets
Property Related Assets 0.00% (0.00%)				
Land Securities Group plc	GBP	190	1	–
Total property related assets			1	–
Direct Properties 68.37% (79.28%)				
Market values up to £28,000,000				
Development Land, Dyce Drive, Aberdeen	GBP			
Aberdeen Business Park, Aberdeen	GBP			
Longus House, 40 – 48 Eastgate Street, Chester	GBP			
St James Gate, Office Block 1	GBP			
Castle Bromwich Business Park, Birmingham	GBP			
Central Studios, Reading, Berkshire RG1 1NP	GBP			
Spurriergate, York, Units 1-5, Spurriergate, Units 1-3 High Ousegate	GBP			
Total market values up to £28,000,000			80,365	14.13
Adjustments for lease incentives			(619)	(0.11)
			79,746	14.02
Market values over £28,000,000				
Colmore Gate, 2-6 Colmore Row, Birmingham	GBP			
Lombardy Retail Park, Hayes	GBP			
The Corn Exchange, Exchange Square, Manchester	GBP			
The Guildhall Shopping Centre, Exeter	GBP			
Ealing Cross, 85 Uxbridge Road, London W5 5TH	GBP			
Total market values over £28,000,000			309,772	54.46
Adjustments for lease incentives			(7,923)	(1.39)
			301,849	53.07
Total direct properties			390,137	68.59
Adjustments for lease incentives			(8,542)	(1.50)
Total direct properties after adjustments			381,595	67.09
Liquidity Funds 13.89% (14.39%)¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	79,000,000	79,000	13.89
Liquidity funds total			79,000	13.89
Investment assets ²			460,596	80.98
Fair Value adjustments			7,312	1.28
Net other assets			100,895	17.74
Net assets			568,803	100.00

The comparative figures are as at 30 September 2018.

[†] Investment managed by a related party.¹ Cash equivalents.² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2019

	Notes	£000	Year ended 30.09.19 £000	£000	Year ended 30.09.18 £000
Income					
Net capital (losses)/gains	2		(35,337)		28,512
Revenue	3	33,721		35,579	
Expenses*	4	(9,670)		(6,172)	
Interest payable and similar charges*	5	(316)		(317)	
Net revenue before taxation		23,735		29,090	
Taxation	6	(32)		(5)	
Net revenue after taxation			23,703		29,085
Total return before distributions			(11,634)		57,597
Distributions	7		(23,719)		(29,199)
Change in net assets attributable to shareholders from investment activities			(35,353)		28,398

* The amounts have been restated refer to Note 23 for more details.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2019

	£000	Year ended 30.09.19 £000	£000	Year ended 30.09.18 £000
Opening net assets attributable to shareholders		888,657		1,048,833
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	3,433		8,600	
Amounts payable on cancellation of shares	(303,235)		(213,858)	
		(299,802)		(205,258)
Dilution adjustment		3,107		2,559
Change in net assets attributable to shareholders from investment activities (see above)		(35,353)		28,398
Retained distribution on accumulation shares		12,193		14,122
Unclaimed distributions		1		3
Closing net assets attributable to shareholders		568,803		888,657

BALANCE SHEET

As at 30 September 2019

	Notes	As at 30.09.19 £000	As at 30.09.18 £000
Assets:			
Investments*	8	388,908	695,539
Current assets:			
Debtors	9	23,041	32,440
Cash and bank balances	10	99,822	50,456
Cash equivalents	10	79,000	127,900
Total assets		590,771	906,335
Liabilities:			
Creditors:			
Distribution payable		(3,888)	(4,040)
Finance lease payable*	22	(7,312)	(7,648)
Other creditors	12	(10,768)	(5,990)
Total liabilities		(21,968)	(17,678)
Net assets attributable to shareholders		568,803	888,657

* The amounts have been restated refer to Note 23 for more details.

CASH FLOW STATEMENT

For the year ended 30 September 2019

	Note	£000	Year ended 30.09.19 £000	£000	Year ended 30.09.18 £000
Net cash inflow from operating activities	20		29,926		36,873
Servicing of finance					
Distributions paid			(7,456)		(4,040)
Taxation					
Taxation paid			(2,820)		(4,409)
Financial investments					
Purchases of investments		(220,805)		–	
Sales of investments		210,805		222,349	
Capital expenditure		314,905		(28,340)	
			304,905		194,009
Financing					
Interest paid from income		289		–	
Finance lease payments*		(316)		(317)	
Amounts received on issue of shares		67,097		5,859	
Amounts paid on cancellation of shares		(361,864)		(223,096)	
			294,794		(217,554)
Increase in cash in the year			(165)		4,245
Net cash and cash equivalents at the start of the year			178,356		173,794
Net cash and cash equivalents at the end of the year			178,822		178,356

* The amounts have been restated refer to Note 23 for more details.

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)/gains

	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net capital (losses)/gains on investments during the year comprise:		
Direct properties	(35,337)	28,514
Expenses relating to the purchase and sale of investments	–	(2)
Net capital (losses)/gains**	(35,337)	28,512

** Total realised gains for the year were £83,776,443 (2018: £40,338,786) and the movement in unrealised losses was £119,113,237 (2018: £11,824,700). Included in realised gains for the year were unrealised losses recognised in previous years.

3 Revenue

	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Bank and deposit interest	108	38
Interest on debt securities	483	418
Property rental income	33,130	35,123
Total revenue	33,721	35,579

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee/ACD's periodic charge*	2,175	2,755
Registration fees	–	211
	2,175	2,966
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fee	–	51
Interest payable	2	–
Safe custody fee	–	11
	2	62
Other expenses:		
Audit fee***	–	30
Bad debt written off	354	117
Head rent	(19)	(56)
Insurance	81	122
Lease incentives	(1,627)	2,279
Maintenance costs	182	300
Marketing costs	33	197
Non-recoverable expenses**	2,392	(761)
Printing and postage expenses	–	7
Professional fee	2,749	2,076
Statement fee	–	44
Valuer's fees	28	181
Void rates	222	(3,276)
Void service charge costs	3,098	1,884
	7,493	3,144
Total expenses	9,670	6,172

* 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 amounts have been restated refer to Note 23 for more details.

*** The audit fee was £60,241 (2018: £41,990) net of VAT.

5 Interest payable and similar charges

	Year ended 30.09.19 £000	Year ended 30.09.18* £000
Interest payable	316	317
Total interest payable and similar charges	316	317

* The amounts have been restated refer to Note 23 for more details.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Taxation**a Analysis of tax charge**

	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Adjustment in respect of prior period	32	5
Total tax for the year (see note 5b)	32	5

b Factors affecting current tax charge

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2018: 20%).

The differences are explained below:

	Year ended 30.09.19 £000	Year ended 30.09.18 £000
Net revenue before taxation	23,735	29,090
Corporation tax at 20%	4,747	5,818
Effects of:		
Adjustments in respect of prior period	32	5
Equalisation on the Property stream not subject to corporation tax	(685)	(461)
Interest revenue distributed gross	(235)	(91)
Income tax withheld on distributions	(3,380)	(4,366)
Shadow capital allowance not subject to corporation tax	(447)	(900)
Current tax charge (see note 5a)	32	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 (2018: £nil).

7 Distributions

	Year ended 30.09.19 £000	Year ended 30.09.18 £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	10,382	17,752
Final distribution	12,495	11,233
	22,877	28,985
Add: Revenue deducted on cancellation of shares	846	234
Deduct: Revenue received on issue of shares	(4)	(20)
Total distributions	23,719	29,199
Reconciliation of distributions for the period to net revenue after taxation		
Distributions for the year	23,719	29,199
Fund Management Fee borne by the capital account	(1)	–
Equalisation on conversions	(15)	(114)
Net revenue after taxation	23,703	29,085

Details of the distributions per share are set out in the distribution tables on pages 69 to 72.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Fair value hierarchy

Valuation technique	As at 30.09.19 Assets £000	As at 30.09.18 Assets £000
Level 1: Quoted prices	1	2
Level 2: Observable market data	79,000	127,900
Total value	79,001	127,902

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.

9 Debtors

	As at 30.09.19 £000	As at 30.09.18 £000
Accrued revenue	48	63
Current property capital debtor	2,328	6,930
Lease incentive	849	1,070
Managing agent or other property debtor	12,123	16,541
Rent free debtor	7,693	7,836
Total debtors	23,041	32,440

10 Cash and bank balances

	As at 30.09.19 £000	As at 30.09.18 £000
Amounts held at futures clearing houses and brokers	30,567	19,787
Cash and bank balances	69,255	30,669
Total cash and bank balances	99,822	50,456

11 Cash equivalents

	As at 30.09.19 £000	As at 30.09.18 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	79,000	127,900
Total cash equivalents	79,000	127,900

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Other creditors

	As at 30.09.19 £000	As at 30.09.18 £000
Accrued expenses	231	316
Amounts payable for cancellation of shares	3,825	1,056
Current property revenue creditor*	4,111	1,866
Income tax withheld on distributions	1,842	1,250
VAT net payable account	759	1,502
Total other creditors	10,768	5,990

* The current property revenue creditor includes a legal provision recognised in the year relating to contractual disputes with tenants. The current provision represents management's best estimate in relation to these claims as at the balance sheet date. No significant material post balance events have taken place that impact the measurement of the provision as at the date of the approval of the financial statements.

13 Investment property

as at 30 September 2019	Land and buildings £000
Opening fair value of investment property as at 1 October 2018	695,537
Property acquisitions	–
Property disposals	(293,403)
Additions	–
Net gains or losses from fair value adjustments	(13,227)
Closing fair value of investment property as at 30 September 2019	388,907

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

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

14 Contingent liabilities and commitments

As at the year end, £750,000 (2018: £5.15 million), was the estimated minimum capital expenditure likely to be incurred over the forthcoming 12 months.

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.

Fund Management Fee/ACD's periodic charge paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of Fund Management Fee/ACD's periodic charge was £118,602 (2018: £207,104). 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 £623,339 (2018: £583,240). The amount outstanding at the year end was £299,459 (2018: £284,752). 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 £220,804,712 (2018: £250,100,000) and £269,704,712 (2018: £193,500,000) respectively. The income received during the year amounted to £482,774 (2018: £418,011).

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

	Holdings at 30.09.19 (shares)	Movement (shares)	Holdings at 30.09.18 (shares)
ACD and related parties (Class 1 Income shares)	13,388,465	(282,144)	13,670,609
ACD and related parties (Class 2 Income shares)	783,146	354,592	428,554
ACD and related parties (Class 1 Accumulation shares)	2,762	2,762	–
ACD and related parties (Class 2 Accumulation shares)	2,843,248	(10,020,972)	12,864,220

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

16 Shareholder funds

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

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

The net asset value of each share class, the net asset value per share and the number of shares in the class are shown on pages 49 to 51. The distributions per share class are given in the distribution tables on pages 69 to 72. All the share classes have the same rights on winding up.

17 Shares in issue reconciliation

	Number of shares in issue at 30.09.18	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.19
Class 1 Income shares	20,335,663	–	(4,691,988)	14,195,869	29,839,544
Class 2 Income shares	75,990,275	–	(65,332,665)	1,529,973	12,187,583
Class 5 Income shares	1,025,954	–	(357,875)	85,606	753,685
Class 6 Income shares	13,122,251	–	(485,502)	(12,636,749)	–
Class 7 Income shares	173,745	–	–	–	173,745
Class D Income shares	209,808,684	2,495,806	(47,627,225)	(2,221,159)	162,456,106
Class 1 Accumulation shares	37,657,336	–	(8,911,859)	8,923,746	37,669,223
Class 2 Accumulation shares	82,776,296	–	(57,458,205)	4,072,198	29,390,289
Class 6 Accumulation shares	12,116,209	–	–	(12,116,209)	–
Class D Accumulation shares	327,762,684	786,056	(78,918,636)	(7,981,081)	241,649,023

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 (2018: £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 31.44% (2018: 20.07%) 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.

Interest rate risk is the risk that the fair value of future cash flows of a financial Instrument will fluctuate because of changes in market interest rates. Some Securities such as bonds and certificates of deposit and directly impacted by interest rate movements but others are indirectly affected.

Currency 30.09.19	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	178,822	–	411,949	590,771
Financial Liabilities				
Sterling	–	–	(21,968)	(21,968)
Total	178,822	–	389,981	568,803

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

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, 82.26% (2018: 92.66%) 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 8.23% (2018: 9.27%).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Derivatives and other financial instruments (continued)**Liquidity Risk**

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

30.09.19	On demand £000	Within one year £000	Over one year but no more than five years £000	Over five years £000
Distribution payable	–	3,888	–	–
Finance lease liability	–	7,212	–	–
Other creditors	–	10,768	–	–
Total	–	21,868	–	–

30.09.18	On demand £000	Within one year £000	Over one year but no more than five years £000	Over five years £000
Distribution payable	–	4,040	–	–
Finance lease liability	–	7,648	–	–
Other creditors	–	5,990	–	–
Total	–	17,678	–	–

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 2019 (2018: £nil). The total purchases for the year amounted to £233,190,508 (2018: £272,492,603) and the total sales amounted to £564,982,686 (2018: £426,270,465).

Dealing spread

As at 30 September 2019, the average portfolio dealing spread on Property Related Assets was nil% (2018: 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.

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

	Year ended 30.09.19 £000	Year ended 30.09.18* £000
Net revenue before taxation	23,735	29,090
Decrease in debtors	4,797	4,162
Increase in creditors	1,394	3,621
Net cash inflow from operating activities	29,926	36,873

* The amounts have been restated refer to Note 23 for more details.

21 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2018: £nil). Between 30 September 2019 and 24 January 2020 the subscriptions in that period were £6,054,964 and the redemptions in that period were £84,867,664.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 Finance Lease Payable

The following direct properties have finance lease commitments:

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

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

	Year ended 30.09.19 £000	Year ended 30.09.18* £000
Commitments in relation to finance leases are payable as follows:		
Not later than one year	325	325
Later than one year and not later than five years	1,300	1,300
Later than five years	24,997	25,808
Minimum lease payments	26,622	27,433
Future finance charges	19,310	19,652
Total Lease payments	7,312	7,781
The present value of finance lease liabilities are as follows:		
Not later than one year	315	316
Later than one year and not later than five years	1,257	1,258
Later than five years	17,738	18,051
Minimum lease payments	19,310	19,625
Finance lease amortisation		
Brought forward at 1 October	7,322	7,410
Carried forward at 30 September	7,234	7,322
Finance lease amortisation	88	88

* refer to Note 23 for more details.

23 Prior Year restatement

The FRS102 requires leasehold properties to be held at lower of fair value and the present value of the minimum lease repayments. The Fair Value of the direct properties as at 30 September 2018 has been recalculated to include £7,312,000 of leasehold properties. This adjustment is due to the change in treatments where the ground rents payable had been incorrectly netted with the asset and has now been grossed up to reflect the nature of the risks and rewards incidental to ownership of the leasehold properties. The value of the finance lease adjustment is shown within the finance lease payable (Note 22). In addition, £317,000 has been reclassified from Non recoverable expenses to interest payable (Notes 4 and 5). Restated figures are shown below.

The following tables summarise the impact of the restatement:

STATEMENT OF TOTAL RETURN (RESTATED)

For the year ended 30 September 2018

	£000	Presented 30.09.18 £000	Adjustment £000	£000	Restated 30.09.18 £000
Income					
Net capital (losses)/gains		28,512	–		28,512
Revenue	35,579		–	35,579	
Expenses	(6,489)		317	(6,172)	
Interest payable and similar charges	–		(317)	(317)	
Net revenue before taxation	29,090		–	29,090	
Taxation	(5)		–	(5)	
Net revenue after taxation		29,085	–		29,085
Total return before distributions		57,597	–		57,597
Distributions		(29,199)	–		(29,199)
Change in net assets attributable to shareholders from investment activities		28,398	–		28,398

BALANCE SHEET (RESTATED)

As at 30 September 2018

	Presented 30.09.18 £000	Adjustment £000	Restated 30.09.18 £000
Assets:			
Investments*	695,539	7,648	703,187
Current assets:			
Debtors	32,440	–	32,440
Cash and bank balances	50,456	–	50,456
Cash equivalents	127,900	–	127,900
Total assets	906,335	7,648	913,983
Liabilities:			
Creditors:			
Distribution payable	(4,040)	–	(4,040)
Finance lease payable	–	(7,648)	(7,648)
Other creditors	(13,638)	–	(13,638)
Total liabilities	(17,678)	(7,648)	(25,326)
Net assets attributable to shareholders	888,657	–	888,657

* The amounts have been restated refer to Note 23 for more details.

CASH FLOW STATEMENT (RESTATED)

For the year ended 30 September 2018

	£000	Presented 30.09.18 £000	Adjustment £000	£000	Restated 30.09.18 £000
Net cash inflow from operating activities		36,556	317		36,239
Servicing of finance					
Distributions paid		(4,040)	–		(4,040)
Taxation					
Taxation paid		(4,409)	–		(4,409)
Financial investments					
Purchases of investments	–		–	–	
Sales of investments	222,349		–	222,349	
Capital expenditure	(28,657)		–	28,343	
		193,692			193,375
Financing					
Interest paid from income	–		–	–	
Finance lease payments*	–		(317)	(317)	
Amounts received on issue of shares	5,859		–	5,859	
Amounts paid on cancellation of shares	(223,096)		–	(223,096)	
		(217,237)			(217,554)
Increase in cash in the year		4,562			4,562
Net cash and cash equivalents at the start of the year		173,794			173,794
Net cash and cash equivalents at the end of the year		178,356			178,356

* The amounts have been restated refer to Note 23 for more details.

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 30 September 2019

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2019	Final distribution paid 30 November 2018
Class 1	Property distribution	Group 1	1.4483	0.2896	1.1587	–	1.1587	0.2811
		Group 2	0.9251	0.1850	0.7401	0.4186	1.1587	0.2811
	Interest distribution	Group 1			0.0397	–	0.0397	0.0347
		Group 2			0.0397	0.0000	0.0397	0.0347
	Dividend distribution	Group 1			0.4558	–	0.4558	0.6159
		Group 2			0.4558	0.0000	0.4558	0.6159
Class 2	Property distribution	Group 1	1.8319	0.3664	1.4655	–	1.4655	0.4243
		Group 2	1.3937	0.2788	1.1149	0.3506	1.4655	0.4243
	Interest distribution	Group 1			0.0478	–	0.0478	0.0383
		Group 2			0.0478	0.0000	0.0478	0.0383
	Dividend distribution	Group 1			0.4226	–	0.4226	0.5711
		Group 2			0.4226	0.0000	0.4226	0.5711
Class 5	Property distribution	Group 1	1.7169	0.3434	1.3735	–	1.3735	0.5054
		Group 2	1.7169	0.3434	1.3735	0.0000	1.3735	0.5054
	Interest distribution	Group 1			0.0419	–	0.0419	0.0483
		Group 2			0.0419	0.0000	0.0419	0.0483
	Dividend distribution	Group 1			0.4402	–	0.4402	0.5948
		Group 2			0.4402	0.0000	0.4402	0.5948
Class 6	Property distribution	Group 1	–	–	–	–	–	0.3237
		Group 2	–	–	–	–	–	0.3237
	Interest distribution	Group 1			–	–	–	0.0382
		Group 2			–	–	–	0.0382
	Dividend distribution	Group 1			–	–	–	0.5698
		Group 2			–	–	–	0.5698
Class 7	Property distribution	Group 1	1.3209	0.2642	1.0567	–	1.0567	0.3637
		Group 2	1.3209	0.2642	1.0567	0.0000	1.0567	0.3637
	Interest distribution	Group 1			0.0324	–	0.0324	0.0101
		Group 2			0.0324	0.0000	0.0324	0.0101
	Dividend distribution	Group 1			0.7371	–	0.7371	0.5777
		Group 2			0.7371	0.0000	0.7371	0.5777
Class D	Property distribution	Group 1	1.8863	0.3773	1.5090	–	1.5090	0.8323
		Group 2	1.8863	0.3773	1.5090	0.0000	1.5090	0.8323
	Interest distribution	Group 1			0.0361	–	0.0361	0.0379
		Group 2			0.0361	0.0000	0.0361	0.0379
	Dividend distribution	Group 1			0.3883	–	0.3883	0.5259
		Group 2			0.3883	0.0000	0.3883	0.5259

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2019	Final distribution paid 30 November 2018
Class 1	Property distribution	Group 1	2.2140	0.4428	1.7712	–	1.7712	0.3732
		Group 2	1.1087	0.2218	0.8869	0.8843	1.7712	0.3732
	Interest distribution	Group 1			0.0608	–	0.0608	0.0600
		Group 2			0.0608	0.0000	0.0608	0.0600
	Dividend distribution	Group 1			0.7000	–	0.7000	0.9266
		Group 2			0.7000	0.0000	0.7000	0.9266
Class 2	Property distribution	Group 1	2.0698	0.4139	1.6559	–	1.6559	0.4885
		Group 2	1.2245	0.2449	0.9796	0.6763	1.6559	0.4885
	Interest distribution	Group 1			0.0511	–	0.0511	0.0392
		Group 2			0.0511	0.0000	0.0511	0.0392
	Dividend distribution	Group 1			0.5004	–	0.5004	0.6613
		Group 2			0.5004	0.0000	0.5004	0.6613
Class 6	Property distribution	Group 1	–	–	–	–	–	0.3314
		Group 2	–	–	–	–	–	0.3314
	Interest distribution	Group 1			–	–	–	0.0412
		Group 2			–	–	–	0.0412
	Dividend distribution	Group 1			–	–	–	0.6526
		Group 2			–	–	–	0.6526
Class D	Property distribution	Group 1	2.0179	0.4036	1.6143	–	1.6143	0.7284
		Group 2	2.0179	0.4036	1.6143	0.0000	1.6143	0.7284
	Interest distribution	Group 1			0.0385	–	0.0385	0.0359
		Group 2			0.0385	0.0000	0.0385	0.0359
	Dividend distribution	Group 1			0.4137	–	0.4137	0.5434
		Group 2			0.4137	0.0000	0.4137	0.5434

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2019.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2019.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the six months ended 31 March 2019

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2019	Interim distribution paid 31 May 2018
Class 1	Property distribution	Group 1	0.5924	0.1184	0.4740	–	0.4740	1.0076
		Group 2	0.1386	0.0276	0.1110	0.3630	0.4740	1.0076
	Interest distribution	Group 1			0.0545	–	0.0545	0.0194
		Group 2			0.0545	0.0000	0.0545	0.0194
	Dividend distribution	Group 1			0.5252	–	0.5252	0.2743
		Group 2			0.5252	0.0000	0.5252	0.2743
Class 2	Property distribution	Group 1	0.8515	0.1703	0.6812	–	0.6812	1.2010
		Group 2	0.1758	0.0352	0.1406	0.5406	0.6812	1.2010
	Interest distribution	Group 1			0.0566	–	0.0566	0.0176
		Group 2			0.0566	0.0000	0.0566	0.0176
	Dividend distribution	Group 1			0.4871	–	0.4871	0.2543
		Group 2			0.4871	0.0000	0.4871	0.2543
Class 5	Property distribution	Group 1	0.7455	0.1491	0.5964	–	0.5964	1.3314
		Group 2	0.7455	0.1491	0.5964	0.0000	0.5964	1.3314
	Interest distribution	Group 1			0.0526	–	0.0526	0.0187
		Group 2			0.0526	0.0000	0.0526	0.0187
	Dividend distribution	Group 1			0.5073	–	0.5073	0.2648
		Group 2			0.5073	0.0000	0.5073	0.2648
Class 6	Property distribution	Group 1	–	–	–	–	–	1.0743
		Group 2	–	–	–	–	–	1.0743
	Interest distribution	Group 1			–	–	–	0.0175
		Group 2			–	–	–	0.0175
	Dividend distribution	Group 1			–	–	–	0.2537
		Group 2			–	–	–	0.2537
Class 7	Property distribution	Group 1	0.6204	0.1241	0.4963	–	0.4963	–
		Group 2	0.6204	0.1241	0.4963	0.0000	0.4963	–
	Interest distribution	Group 1			0.0452	–	0.0452	–
		Group 2			0.0452	0.0000	0.0452	–
	Dividend distribution	Group 1			0.8002	–	0.8002	–
		Group 2			0.8002	0.0000	0.8002	–
Class D	Property distribution	Group 1	1.1312	0.2262	0.9050	–	0.9050	1.5244
		Group 2	1.1312	0.2262	0.9050	0.0000	0.9050	1.5244
	Interest distribution	Group 1			0.0507	–	0.0507	0.0172
		Group 2			0.0507	0.0000	0.0507	0.0172
	Dividend distribution	Group 1			0.4480	–	0.4480	0.2344
		Group 2			0.4480	0.0000	0.4480	0.2344

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2019	Interim distribution paid 31 May 2018
Class 1	Property distribution	Group 1	0.8942	0.1788	0.7154	–	0.7154	1.4811
		Group 2	0.0506	0.0101	0.0405	0.6749	0.7154	1.4811
	Interest distribution	Group 1			0.0830	–	0.0830	0.0283
		Group 2			0.0830	0.0000	0.0830	0.0283
	Dividend distribution	Group 1			0.7977	–	0.7977	0.4097
		Group 2			0.7977	0.0000	0.7977	0.4097
Class 2	Property distribution	Group 1	0.8796	0.1759	0.7037	–	0.7037	1.3543
		Group 2	0.4453	0.0891	0.3562	0.3475	0.7037	1.3543
	Interest distribution	Group 1			0.0625	–	0.0625	0.0199
		Group 2			0.0625	0.0000	0.0625	0.0199
	Dividend distribution	Group 1			0.5695	–	0.5695	0.2919
		Group 2			0.5695	0.0000	0.5695	0.2919
Class 6	Property distribution	Group 1	–	–	–	–	–	1.2134
		Group 2	–	–	–	–	–	1.2134
	Interest distribution	Group 1			–	–	–	0.0198
		Group 2			–	–	–	0.0198
	Dividend distribution	Group 1			–	–	–	0.2884
		Group 2			–	–	–	0.2884
Class D	Property distribution	Group 1	1.1770	0.2354	0.9416	–	0.9416	1.4401
		Group 2	1.1770	0.2354	0.9416	0.0000	0.9416	1.4401
	Interest distribution	Group 1			0.0529	–	0.0529	0.0166
		Group 2			0.0529	0.0000	0.0529	0.0166
	Dividend distribution	Group 1			0.4695	–	0.4695	0.2392
		Group 2			0.4695	0.0000	0.4695	0.2392

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2018.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2018.

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 2019 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 2020

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

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

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

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

The Depositary must ensure that:

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

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

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

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

J. P. Morgan Europe Limited
London
31 January 2020

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 2019 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 2019, the market value of the immovables of Aviva Investors European Property Fund was €9,703,000.

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
30 November 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 2019 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 2019, the market value of the immovables of Aviva Investors UK Property Fund was £390,137,000.

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

Knight Frank
London
30 November 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS 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 2019 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 2019; the statements of total return, the statements of change in net assets attributable to shareholders and the cash flow statements for the year then ended; the distribution tables; the accounting policies (within the Policies and Risks section); and the notes to the financial statements.

BASIS FOR OPINION

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

Independence

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

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

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the Authorised Corporate Director's reasons why the financial statements of the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund have been prepared on a basis other than going concern.

CONCLUSIONS RELATING TO GOING CONCERN

With the exception of the circumstances described in the Emphasis of Matter 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 Director's 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 the Aviva Investors UK Property Fund's 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 the Aviva Investors UK Property Fund's ability to continue as a going concern. For example, the terms on which the United Kingdom is likely to withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's or the Aviva Investors UK Property Fund's business and the wider economy.

REPORTING ON OTHER INFORMATION

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

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

Authorised Corporate Director's Report

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS 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 73, 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 2020

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.

VALUE ASSESSMENT APPROACH

AVIVA INVESTORS UK FUND SERVICES LIMITED ("THE COMPANY")

INTRODUCTION

An Authorised Fund Manager ('AFM') must conduct an assessment of value for each share class in each of the Funds that it manages at least annually. The Financial Conduct Authority (FCA) rules prescribe a minimum set of components which need to be considered to determine if 'value' is being provided to investors, and that costs and charges are justified in this context. The following describes how the Company, as AFM of the Funds, approaches the assessment and the range of factors considered by the Company's board of directors ('the Board') for each component.

This annual exercise is performed in addition to and in conjunction with the regular Fund reviews which the Company undertakes in line with its product governance obligations. The Fund reviews include extensive assessments of service and performance for each of the Funds, with appropriate action taken throughout the course of the year. If the result of the value assessment is that charges are not considered to be justified in the context of overall value, appropriate action will be taken by the Company.

THE COMPONENTS OF THE VALUE ASSESSMENT

1. Quality of Service

Consideration is given to the range, nature, extent and quality of the services provided directly to investors or those services undertaken on their behalf, and whether investors have benefited appropriately from the services. This covers the services performed by the Company and its suppliers, as well as their reputation, expertise, resources and relative capabilities. This includes:

- The quality of the Investment Manager, including their processes (trading, risk management, compliance, technology, research and operational capabilities) and any Environmental, Social & Governance (ESG) factors which are integrated into the investment process.
- The quality of the administrative and investor services provided to the Fund, using appropriate investor satisfaction surveys, complaints and data relating to operational accuracy to assess the positioning of the Company and its products and services over time, and relative to other similar firms.
- The timely delivery of clear communications, and the appropriateness of information provided to investors to assist them in making informed decisions regarding their investments.

2. Performance

Consideration is given to whether Fund performance, before and after deduction of expenses, is within a reasonable range of outcomes relative to its objective, policy and strategy when measured over appropriate time periods. The time periods assessed will be any specific time period expressed in the investment objective or policy of the Fund, and performance over 1, 3, 5 and 7 years, or since inception if there is not a full first year's performance data. Performance is also considered in the context of the relevant peer group and whether the Fund operated in accordance with its respective risk limits and investment restrictions.

Performance as measured against the respective Fund's objectives is assessed in the regularly scheduled Fund review and this will be taken into account in reaching the Fund performance conclusions for the value assessment.

If the performance is not considered to be satisfactory then the following may be taken into account where relevant:

- Explanations for any underperformance provided by the Investment Manager as part of the Company's fund performance governance model; and
- Any appropriate steps (such as consideration of changing the investment objective, policy, strategy or investment personnel) that have been taken or are intended to be made and aim to improve Fund performance.

The Company could consider changing the Investment Manager or closing the Fund where no other viable options are available.

Further information on the specific performance of individual Funds is included in the Fund Manager Report section of the Report & Accounts covering the period relevant to that report. More topical information is available in the regular fund fact sheets and fund updates available on our website.

3. AFM Costs and Charges

Consideration is given to whether charges are reasonable taking into account the underlying costs for the services provided and the performance objectives set for the Fund.

The Company undertook a thorough review of charges across the Fund range in 2018 which resulted in the introduction of a single Fund Management Fee ('FMF'). The FMF is the only direct charge deducted from the Funds, and is a simpler charging basis for investors. The review resulted in a number of charges being lowered.

The underlying fees, costs and expenses covered by the FMF are expressly listed in the Prospectus of the relevant Fund, but in summary cover the following payments:

- the fees and expenses of the Company as AFM;
- the fees and expenses of the Investment Manager;
- the fees and expenses of the Depositary;
- the fees and expenses of the Custodian;
- the fees and expenses of the Auditor;
- the permitted costs in connection with periodic statements and accounts; and
- FCA fees.

To assist with the value assessment, a costs and charges model is used which enables the Company to assess the costs attributable to each Fund. The model is refreshed semi-annually and enables a comparison of the FMF for each respective Fund against all elements of cost which must be paid out of the proceeds of the FMF. This enables the Company to determine whether the FMF is a fair reflection of the costs of the services provided for the relevant share class of each Fund, with an appropriate allowance for the level of income earned for the Company from these activities.

4. Economies of Scale

Consideration is given to whether investors have participated appropriately in any savings or benefits derived from the size of the Fund. Consideration is also given to whether investors have benefited from the scale of the Aviva Group and the ability to negotiate favourable pricing with service providers due to the wide range of other products and services offered across the Group along with the scale and range of other funds and assets managed by the Company.

VALUE ASSESSMENT APPROACH (CONTINUED)

The Board considers whether economies of scale have been realised in relation to the costs and operating expenses of each share class and the extent to which investors in the Funds might also reasonably benefit from any financial savings that result. For example, whether the FMF fairly reflects the fees charged in respect of the third party supplied services – which should be competitive due to the scale of Aviva and the potential breadth of other Aviva product ranges which the third-party supplier also provides services for.

The assessment of the underlying service costs of running the Fund, and the appropriate level of FMF takes place on an annual basis. Any changes to the underlying costs will therefore be reflected in this analysis, and may result in a change to the FMF.

In looking at whether investors have benefited appropriately, either directly or indirectly, in any savings or benefits in relation to the management of the Fund, the Board acknowledge the wider, albeit intangible benefits to investors, such as the reputation, brand, and financial strength of the Aviva Group.

The Board may also deem it appropriate to reinvest scale driven cost savings directly into the Company in order to finance product development or retain savings from a commercial perspective. Consideration will be given to the drivers of the scale generated in determining whether benefits should be shared or reinvested.

5. Comparable Market Rates

Consideration is given to whether the fees paid for each service provided to the Funds by the Company or on its behalf are reasonable compared to fees for similar services in the market.

An independent consultant is engaged to carry out a periodic survey of the main expenses of the Funds and those of a large number of other fund management groups. The survey provides benchmarks for each of the main expense items associated with running a Fund to help the Board determine whether the Funds are paying a reasonable price for each of the services to which the expenses relate.

The expenses that comprise the survey include the following:

- Transfer agency fees
- Fund accounting fees
- Investment management fees
- Custodian fees
- Depositary fees
- Audit fees

Direct comparisons may be difficult because comparative information is not generally publicly available and is affected by numerous factors. Where specific expenses are highlighted to be outliers in the report, the reasons for this will be considered to determine the extent to which they are appropriate.

The review will also consider the overall costs of comparable products, by benchmarking each Fund against a suitable peer group which will be made up of funds with broadly similar characteristics to the Fund. Where the aggregate charges as calculated by the Ongoing Charges Figure are greater than the average cost of equivalent peer group funds, consideration will be given to whether it would be appropriate to adjust the FMF.

6. Comparable Services

The Board considers whether the fees charged by the Company for the services it performs for the Fund are consistent with those fees charged by the Company and other companies within the wider Aviva Group. This gives consideration to other similar funds or services operated by the Aviva Group that are available in the UK, are of a comparable size, and are managed to similar objectives and policies to the Fund.

As stated in section 3 above, the Company undertook a thorough review of its charging mechanism across the Fund range in 2018 which resulted in the introduction of a single FMF. Part of this exercise was to ensure the fees charged by the Company were appropriate across its UK range of regulated Funds considering their relative nature, investment objectives and the services provided.

7. Classes of Units

The Board assesses whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied.

As part of the review of its charging mechanism in 2018, the Company undertook an exercise to ensure that investors were invested in the most appropriate share class. The review prompted the closure or merger of a number of share classes, along with the amendment of some minimum investment limits and share class eligibility criteria, and the removal of trail commission to advisers. This resulted in some investors being moved into alternative share classes that either had fees of an equivalent level, or lower than they had been paying previously where an appropriate share class was available.

In addition, the Company operates a process to identify any investors who would be eligible for a share class with lower fees. If any such investors are identified, steps are taken to move them into that share class if possible.

Other factors may be considered by the Company in determining the conclusion of the value assessment, as deemed appropriate by the Board. If such other factors are considered, details will be provided in the value assessment report for the relevant Fund.

VALUE ASSESSMENT REPORT

AVIVA INVESTORS UK PROPERTY FUND

In line with the Financial Conduct Authority's rules the following summarises the conclusions reached by the Company's board of directors ('the Board') having considered the range of factors as set out in the 'Value Assessment Approach' (see the preceding pages of this Report), which describes how we carry out the value assessment. This applies to all share classes in the Fund unless we have specifically noted share class exceptions.

1. Quality of Service

The range, nature, extent and quality of the services provided to investors has been assessed, and the Fund's operating model was considered to be working effectively over the period. Investors received clear communications and relevant information at appropriate times to enable them to make informed decisions regarding their investment, and the service delivered has been timely and of appropriate quality.

2. Performance

The Fund's overall performance, relative to its investment objectives, policy and strategy, was at the lower end of the range of expected outcomes during the periods under consideration.

The Board recognises that the Property sector has been subject to a high degree of market stress over the medium term, with the build up to and subsequent result of the 2016 UK Referendum impacting confidence in the UK property sector. Like most similar funds the Aviva Investors UK Property Fund suspended dealing to manage the unprecedented levels of withdrawals during that period, and although the Fund was reopened in December 2016, investor uncertainty has continued across the sector since.

The Board is of the opinion that the Investment Manager has successfully balanced the aim of delivering the Fund's stated objective, whilst also ensuring that the Fund maintained a sufficient level of liquidity to meet redemptions in a timely manner throughout the period since the suspension. Despite the structural and geopolitical challenges impacting the direct commercial property sector, the Fund performed strongly relative to its benchmark in the calendar years 2017 and 2018, however performance was impacted in 2016 by Brexit uncertainty and in 2019 by more recent revaluations in the retail sector which have had a drag on overall performance.

The Investment Manager has been able to ensure the Fund remained open for daily dealing despite performance headwinds and achieved competitive prices for property sales in order to meet redemption demands. The Board are satisfied that this activity has been conducted with the best interests of all investors in mind.

The Board recognises that Fund performance remains dependent upon improved investor confidence in the property sector, and a stabilisation of Fund flows which should allow the Investment Manager to more effectively implement the Fund's long term strategic aims.

For further information in relation to the last 12 months performance and the Investment Manager's view of the outlook for the Fund, please refer to the Fund Manager's Report included in this Report and Accounts.

3. AFM Costs and Charges

The Fund Management Fee (FMF) is the single charge paid to the Authorised Fund Manager, and is considered to be reasonable when taking into account the underlying costs for the services provided and the performance objectives set for the Fund.

4. Economies of Scale

The specific benefits derived from economies of scale are returned to investors in various ways including through the Fund Management Fee (FMF) review process, as referred to in the Value Assessment Approach. The Board concluded that all investors participated appropriately in the general economies of scale derived from investing with the Company based on a range of benefits and services provided and the overall fees charged. There has been a reduction in the size of the Fund during the previous 12 months, and as such no additional savings have been identified.

5. Comparable Market Rates

The fees paid for each of the services provided to the Fund (whether internally or externally provided) were considered to be competitive relative to those charged by similar competitor funds within the UK regulated funds market.

6. Comparable Services

On the basis of the available information, and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Aviva Group for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund.

7. Classes of Units

The pricing of each Share Class of the Fund is considered to be reasonable based on the different Share Class eligibility criteria and target investor for each share class. All investors are invested appropriately in the Share Class they are eligible to hold in the Fund at the date of the assessment.

OVERALL ASSESSMENT CONCLUSION

In conclusion, the Board confirms that all components of the assessment have been considered and that the charges for each of the share classes are justified in the context of overall value being delivered to investors.

Aviva Investors UK Fund Services Limited.
Registered in England No. 1973412.
Authorised and regulated by the Financial Conduct Authority.
FCA Registered No. 119310.
Registered address: St Helen's, 1 Undershaft, London, EC3P 3DQ.
An Aviva company.

[avivainvestors.com](https://www.avivainvestors.com)