

AVIVA INVESTORS PROPERTY FUNDS ICVC

Annual Report and Financial Statements

For the year ended 30 September 2020

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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
M Craston
D Clayton (resigned 31 August 2020)
S Ebenston (resigned 31 March 2021)
M White
A Coates
K McClellan (appointed 23 April 2020)
M Versey (appointed 30 September 2020 –
resigned 30 April 2021)
D Macmillan (appointed 17 November 2020)

REGISTRAR AND ADMINISTRATOR

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

On 31 March 2020, DST Financial Services Europe Ltd changed their name to SC&C Financial Services Europe Ltd.

FUND ACCOUNTING AND PRICING AGENT

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

INVESTMENT MANAGER

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

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

TRUSTEE AND DEPOSITARY

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

INDEPENDENT AUDITORS

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

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

The Company has an umbrella structure which means that it may contain more than one Fund, each with a different investment objective. There are currently two Funds in the Aviva Investors Property Funds ICVC; the Aviva Investors European Property Fund and the Aviva Investors UK Property Fund. The Aviva Investors Asia Pacific Property Fund has terminated. 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 2020. 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.

CLOSURE OF THE AVIVA INVESTORS UK PROPERTY FUND, THE AVIVA INVESTORS UK PROPERTY FEEDER INC FUND AND THE AVIVA INVESTORS UK PROPERTY FEEDER ACC FUND (THE “FUNDS”)

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

On 31 January 2021 the Value Assessment for these Funds determined that a strategic review should be undertaken to ensure investors’ long-term interests could continue to be served. This review, combined with forecast redemption levels upon re-opening, concluded that the Funds’ ability to fully benefit from the economies of scale and the diversification of investments that collective investment schemes normally bring would soon be limited.

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

The Funds will continue to be suspended and with effect from 19 July 2021 will be placed into termination.

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

SIGNIFICANT INFORMATION

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.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION (CONTINUED)

RESPONSIBLE INVESTMENT POLICY

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

Further details on the Policy

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

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

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

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

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

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

Impact on our funds

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

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

FATCA AND CRS REPORTING

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

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 30 September 2020.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

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

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

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

b Consolidation

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

c Share classes

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

d Recognition of revenue

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

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

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

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 2020. 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 2020.

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

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

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

f Expenses

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

Winding up provisions for both the Aviva Investors UK Property Fund and the Aviva Investors European Property Fund have been recognised at the Balance Sheet date. Any additional Expenses relating to the winding up of the Aviva Investors UK Property Fund and the Aviva Investors European Property Fund will be paid via the Fund Management Fee (FMF).

g Property purchases and sales

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

h Exchange rates

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

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

i Taxation and deferred taxation

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

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

j Cash flow statement

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

k Cash and cash equivalents

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

l Provision for bad debts

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

m Finance leased assets

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

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

n Estimates and judgements

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

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

DISTRIBUTION POLICIES

a Distribution policy

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

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

The European Property Fund is closed and in the process of being terminated. Available revenue will be distributed once available 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. Where management expenses are borne by capital they are not deducted in determining the distribution. As the Aviva Investors European Property Fund is being closed, the estimated costs of selling the properties in the Aviva Investors European Property Fund and the estimated costs for closing the Fund has been charged to capital and are included in Other creditors on page 22.

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.

UK Real Estate is yet to see the full impact of COVID-19 in term of Investment and occupier activity. The external valuation adviser has applied a material uncertainty clause to the 30 September 2020 valuation because they can no longer make reliable judgements on value in the current market. Liquidity and transaction volumes for all but the best quality real estate are likely to be depressed for the immediate period, although its too early to tell what the longer-term effects may be. Various initiatives have been enacted across government and the industry protect occupiers.

	Value as at 30 September 2020	Unobservable input	Change in fair value	
			Yield increase by 25bps	Yield increase by 50bps
Investment property	£314,042,500	6.39%	£300,559,414	£288,056,762

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

d Credit risk

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

e Liquidity risk

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

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

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

As noted on page 3, dealing in the European Property Fund has been suspended due to the largest investors wishing to redeem their holdings. Dealing in the UK Property Fund has also been suspended due to the Standing Independent Valuer at the time advising us of "material valuation uncertainty" for all direct property assets within the portfolio and the associated risk that investors could have bought and sold shares/units at a price which did not fairly reflect the value of those shares/units had dealing been allowed to continue. Although the Standing Independent Valuer does no longer consider the valuation uncertainty of the direct property assess to be "material", dealing is still currently suspended while the manager continues to consider the liquidity requirements of the Funds when dealing resumes. For further information, please visit our dedicated website at <https://www.avivainvestors.com/en-gb/paif/>.

f Concentration risk

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

g Leverage risk

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

h Property default risk

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

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

i Counterparty Risk

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

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

POLICIES AND RISKS (CONTINUED)

RISK MANAGEMENT POLICIES (CONTINUED)

COVID-19 RISK

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

I Property Valuation

Dealing in the UK Property Fund was suspended on the 18 March 2020 due to the Standing Independent Valuer advising us of "material valuation uncertainty" for all direct property assets within the portfolio and the associated risk that investors could have bought and sold shares/units at a price which did not fairly reflect the value of those shares/units had dealing been allowed to continue. Although the valuation report as at 30 September 2020 is considered free from material uncertainty the dealing suspension is yet to be lifted whilst the manager considers the effect of the pandemic.

II Provision for bad debts

There has been no change to provision for bad debts due to COVID-19, as provisions are still decided on a case by case basis. However, the manager acknowledges that there is an increased risk of bad debt due to the pandemic.

III Liquidity

The pandemic is also materially impacting the property market in terms on prospective buyers being unable to complete on site due diligence of potential purchases. As a result, the manager considers this an additional risk to the Funds ability to raise cash once the dealing suspension has been lifted.

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 2020 were £17.5m.

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

As at September 2020, eleven of the Fund's twelve holdings have been disposed of, with one asset remaining within the Fund, this is the Katowice property in Poland, which remains fully let and income producing. After the year end date, negotiations have successfully concluded with the occupier with strong financial credentials. This has materially improved the asset's liquidity and the ability to dispose of this last asset.

As described in previous updates, the Fund has a complex structure and the proceeds of the property sales must pass through the underlying holding company structures before we can return them to you. Currently, seven of the Fund's holding structures have been closed, with three holding structures remaining. As we progress through closing the structures, we continue to be mindful of the need to return the proceeds of your investment to you (or switch them, as per your instruction) as quickly as possible.

Due to the complex nature and numerous regions of the underlying structures, we are not yet in a position where we can provide a date for the final closure of the Fund. Whilst we are making good progress on the wind up of the underlying legal structures, their resolution is dependent on the underlying structures' tax clearance and closure of their final accounts; these are subject to the entities' local rules, timing and regulations.

A further payment in respect of the closure was made on 17 November 2020, with this payment we have returned 94% of the Fund's GBP value at suspension.

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.

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
European Property Holdings SARL
Megaron B Equity ZCP Perpetual
Megaron B Financing Perpetual
Kista Financing Perpetual

COMPARATIVE TABLES

Class A (GBP) Income	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	87.53	91.59	103.98
Return before operating charges [†]	(0.86)	1.06	(7.30)
Operating charges	(6.87)	(5.12)	(5.09)
Return after operating charges [†]	(7.73)	(4.06)	(12.39)
Distributions	–	–	–
Closing net asset value per share	79.80	87.53	91.59
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(8.83)%	(4.43)%	(11.92)%
Other information			
Closing net asset value (£000)	163	271	402
Closing number of shares	204,307	310,172	439,336
Operating charges (%) [†]	8.30%	5.72%	5.27%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	89.78	92.39	105.58
Lowest share price	76.97	85.48	89.64

Class A (EUR) Income	2020 c per share	2019 c per share	2018 c per share
Change in net assets per share			
Opening net asset value per share	84.37	88.26	100.79
Return before operating charges [†]	(2.99)	1.06	(7.61)
Operating charges	(6.57)	(4.95)	(4.92)
Return after operating charges [†]	(9.56)	(3.89)	(12.53)
Distributions	–	–	–
Closing net asset value per share	74.81	84.37	88.26
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(11.33)%	(4.41)%	(12.43)%
Other information			
Closing net asset value (£000)	5	8	12
Closing number of shares	6,924	10,589	14,985
Operating charges (%) [†]	8.30%	5.72%	5.27%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	85.32	87.92	100.83
Lowest share price	79.35	83.35	87.10

Class R (GBP) Income	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	87.01	91.04	103.36
Return before operating charges [†]	(0.86)	1.06	(7.26)
Operating charges	(6.83)	(5.09)	(5.06)
Return after operating charges [†]	(7.69)	(4.03)	(12.32)
Distributions	–	–	–
Closing net asset value per share	79.32	87.01	91.04
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(8.84)%	(4.43)%	(11.92)%
Other information			
Closing net asset value (£000)	981	1,634	2,422
Closing number of shares	1,236,934	1,877,889	2,659,882
Operating charges (%) [†]	8.30%	5.72%	5.27%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	89.25	91.84	104.95
Lowest share price	76.51	84.97	89.10

Class I (GBP) Income	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	87.68	91.55	103.28
Return before operating charges [†]	(0.87)	1.03	(7.24)
Operating charges	(6.68)	(4.90)	(4.49)
Return after operating charges [†]	(7.55)	(3.87)	(11.73)
Distributions	–	–	–
Closing net asset value per share	80.13	87.68	91.55
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(8.61)%	(4.23)%	(11.40)%
Other information			
Closing net asset value (£000)	9,867	16,392	24,231
Closing number of shares	12,313,716	18,694,774	26,479,378
Operating charges (%) [†]	8.05%	5.47%	4.66%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	89.94	92.36	104.89
Lowest share price	77.18	85.55	89.50

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2020 c per share	2019 c per share	2018 c per share
Change in net assets per share			
Opening net asset value per share	113.68	118.91	136.03
Return before operating charges [†]	(4.02)	1.45	(10.47)
Operating charges	(8.84)	(6.68)	(6.65)
Return after operating charges [†]	(12.86)	(5.23)	(17.12)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	100.82	113.68	118.91
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(11.31)%	(4.40)%	(12.59)%
Other information			
Closing net asset value (£000)	779	1,307	1,935
Closing number of shares	846,707	1,294,839	1,832,335
Operating charges (%) [†]	8.30%	5.72%	5.27%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	114.96	118.46	137.08
Lowest share price	106.92	112.30	117.36

Class A (USD) Accumulation	2020 c per share	2019 c per share	2018 c per share
Change in net assets per share			
Opening net asset value per share	223.29	247.67	289.00
Return before operating charges [†]	7.18	(10.84)	(27.09)
Operating charges	(18.17)	(13.54)	(14.24)
Return after operating charges [†]	(10.99)	(24.38)	(41.33)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	212.30	223.29	247.67
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.92)%	(9.84)%	(14.30)%
Other information			
Closing net asset value (£000)	15	24	36
Closing number of shares	8,844	13,514	19,174
Operating charges (%) [†]	8.30%	5.72%	5.27%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	227.96	247.30	294.09
Lowest share price	208.14	224.43	239.53

Class I (EUR) Accumulation	2020 c per share	2019 c per share	2018 c per share
Change in net assets per share			
Opening net asset value per share	123.10	128.44	146.08
Return before operating charges [†]	(4.37)	1.56	(11.31)
Operating charges	(9.30)	(6.90)	(6.33)
Return after operating charges [†]	(13.67)	(5.34)	(17.64)
Distributions	–	–	–
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	109.43	123.10	128.44
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(11.10)%	(4.16)%	(12.08)%
Other information			
Closing net asset value (£000)	5,718	9,568	14,132
Closing number of shares	5,725,460	8,755,680	12,390,492
Operating charges (%) [†]	8.05%	5.47%	4.66%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	124.49	127.95	147.22
Lowest share price	115.88	121.53	126.73

‡ 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**
	30.09.20	30.09.20	30.09.19	30.09.19
Class A (GBP)	2.14%	6.16%	2.14%	3.66%
Class A (EUR)	2.14%	6.16%	2.14%	3.66%
Class A (USD)	2.14%	6.16%	2.14%	3.66%
Class R (GBP)	2.14%	6.16%	2.14%	3.66%
Class I (GBP)	1.89%	6.16%	1.89%	3.66%
Class I (EUR)	1.89%	6.16%	1.89%	3.66%

* 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 2020

Investment	Currency	Market Value £000	% of Net Assets
Direct Properties 46.81% (33.22%)			
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 46.81% (33.22%)			
ul.Roździeńska 49, Katowice, Poland	EUR	8,205	46.81
Total Market value over £7,500,000		8,205	46.81
Total direct properties		8,205	46.81
Investment assets		8,205	46.81
Net other assets		9,323	53.19
Net assets		17,528	100.00

The comparative percentage figures in brackets are as at 30 September 2019.

FUND PORTFOLIO STATEMENT

As at 30 September 2020

Investment		Currency	Holding	Market Value £000	% of Net Assets
Germany 4.08% (13.61%)					
Megaron B Equity ZCP Perpetual	§	EUR	211,254	147	0.84
Megaron B Financing Perpetual	§	EUR	38,665	27	0.15
Megaron B Holding	§	EUR	411,143	541	3.09
Germany total				715	4.08
Luxembourg 10.25% (7.67%)					
European Property Holdings SARL	§	EUR	2,977	1,797	10.25
Luxembourg total				1,797	10.25
Poland 56.32% (37.08%)					
Katowice Equity ZCP Perpetual	§	EUR	531,525	405	2.31
Katowice Financing	§	EUR	6,150,558	6,300	35.94
Katowice Holding ZCP Perpetual	§	EUR	2,297,060	3,167	18.07
Poland total				9,872	56.32
Investment assets				12,384	70.65
Net other assets				5,144	29.35
Net assets				17,528	100.00

The comparative percentage figures in brackets are as at 30 September 2019. The Fund has one direct investment in European Property Holdings SARL of £12.4m. The entities listed above are those that the European Property Holdings SARL has invested into for the purpose of acquiring direct property investments.

§ All holdings are unquoted securities.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2020

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Income					
Net capital losses	2	(1,342)	(369)	(1,722)	(791)
Revenue	3	1,237	1,337	6	6
Expenses	4	(1,852)	(2,685)	(396)	(822)
Net expense before taxation		(615)	(1,348)	(390)	(816)
Taxation	5	(155)	109	–	(1)
Net expense after taxation		(770)	(1,239)	(390)	(817)
Total expense before distributions		(2,112)	(1,608)	(2,112)	(1,608)
Distributions	6	–	–	–	–
Change in net assets attributable to shareholders from investment activities		(2,112)	(1,608)	(2,112)	(1,608)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2020

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Opening net assets attributable to shareholders	29,204	43,170	29,204	43,170
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares	(9,564)	(12,358)	(9,564)	(12,358)
	(9,564)	(12,358)	(9,564)	(12,358)
Change in net assets attributable to shareholders from investment activities (see above)	(2,112)	(1,608)	(2,112)	(1,608)
Retained distribution on accumulation shares	–	–	–	–
Closing net assets attributable to shareholders	17,528	29,204	17,528	29,204

BALANCE SHEET

As at 30 September 2020

	Notes	Consolidated		Aviva Investors European Property Fund	
		As at 30.09.20 £000	As at 30.09.19 £000	As at 30.09.20 £000	As at 30.09.19 £000
Current assets:					
Investments available for sale		8,205	9,703	12,384	19,021
Debtors	8	376	1,005	–	–
Cash and bank balances	9	10,330	19,509	5,186	10,253
Total assets		18,911	30,217	17,570	29,274
Liabilities:					
Creditors:					
Other creditors	10	(1,383)	(1,013)	(42)	(70)
Total liabilities		(1,383)	(1,013)	(42)	(70)
Net assets attributable to shareholders		17,528	29,204	17,528	29,204

CASH FLOW STATEMENT

For the year ended 30 September 2020

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Net cash inflow/(outflow) from operating activities	13	485	(622)	(362)	(725)
Taxation					
Taxation paid		(122)	(537)	–	–
		(122)	(537)	–	–
Financial investments					
Sales of investments		–	9	5,186	20,597
		–	9	5,186	20,597
Financing					
Amounts paid on cancellation of shares		(9,564)	(12,358)	(9,564)	(12,358)
Exchange rate movement		22	(266)	(327)	(28)
		(9,542)	(12,624)	(9,891)	(12,386)
(Decrease)/increase in cash in the year	12	(9,179)	(13,774)	(5,067)	7,486
Net cash at the start of the year	12	19,509	33,283	10,253	2,767
Net cash at the end of the year	12	10,330	19,509	5,186	10,253

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital losses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
The net capital losses on investments during the year comprise:				
Currency (losses)/gains on other capital items	(241)	11	(241)	11
Direct property losses	(1,065)	(380)	–	–
Forward securities losses	(36)	–	(36)	–
Non-derivative securities losses	–	–	(1,445)	(802)
Net capital losses*	(1,342)	(369)	(1,722)	(791)

* Total realised gains for the year were £2,764,852 (2019: losses £17,536,667) and the movement in unrealised losses was £4,106,497 (2019: gains £17,168,433). Included in realised gains/(losses) for the year were unrealised (losses)/gains recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Bank and deposit interest	6	6	6	6
Rental revenue	1,231	1,331	–	–
Total revenue	1,237	1,337	6	6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:				
Fund Management Fee	387	755	387	754
	387	755	387	754
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Interest payable	78	186	9	8
	78	186	9	8
Other expenses:				
Administrative expenses	553	574	–	–
Audit fee*	84	63	–	–
Closure Costs	–	60	–	60
Insurance	40	40	–	–
Legal & Professional fees	204	119	–	–
Other fees	336	650	–	–
Other property operating expenses	–	79	–	–
Property management fees	31	21	–	–
Property taxes	139	138	–	–
	1,387	1,744	–	60
Total expenses	1,852	2,685	396	822

* The audit fee was £78,234 (2019: £71,724) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Overseas tax suffered	155	(109)	–	1
Total current tax for year (see note 5b)	155	(109)	–	1

b Factors affecting current tax charge

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Net expense before taxation	(615)	(1,348)	(390)	(816)
Corporation tax at 20%	(123)	(270)	(78)	(163)
Effects of:				
Income tax irrecoverable	78	1	–	–
Overseas tax irrecoverable	155	–	–	–
Overseas tax suffered	–	(109)	–	1
Tax deductible interest distributions	45	269	78	163
	278	161	78	164
Total tax for the year (see note 5a)	155	(109)	–	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 (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20 £000	Year ended 30.09.19 £000	Year ended 30.09.20 £000	Year ended 30.09.19 £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				
Net expenses payable from capital	(770)	(1,179)	(390)	(757)
Other expenses borne by the capital account	-	(60)	-	(60)
Net expense after taxation	(770)	(1,239)	(390)	(817)

Details of the distributions per share are set out in the distribution tables on pages 26 and 27.

7 Fair value hierarchy

Valuation technique	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.20 Assets £000	As at 30.09.19 Assets £000	As at 30.09.20 Assets £000	As at 30.09.19 Assets £000
Level 3: Unobservable data	-	-	12,384	19,021
Total value	-	-	12,384	19,021

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. Prior to the year end, the occupier expressed an interest in extending their lease and post year end these negotiations have now concluded with a longer lease being agreed. This longer term lease will help to obtain best value for the asset and help 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.

8 Debtors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.20 £000	As at 30.09.19 £000	As at 30.09.20 £000	As at 30.09.19 £000
Accrued revenue	131	386	-	-
Other debtors	6	351	-	-
Prepaid expenses	239	268	-	-
Total debtors	376	1,005	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Cash and bank balances

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.20	As at 30.09.19	As at 30.09.20	As at 30.09.19
	£000	£000	£000	£000
Cash and bank balances	10,330	19,509	5,186	10,253

10 Other creditors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.20	As at 30.09.19	As at 30.09.20	As at 30.09.19
	£000	£000	£000	£000
Accrued expenses	1,073	616	42	10
Deferred income	189	183	–	–
Income tax payable	12	3	–	–
Other creditors	13	137	–	60
Overseas tax provision	29	5	–	–
Trade creditors	37	35	–	–
VAT payable	30	34	–	–
Total other creditors	1,383	1,013	42	70

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2019: £nil).

12 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors European Property Fund £000
Cash and cash equivalents:		
As at 30.09.19	19,509	10,253
Cash flows	(9,179)	(5,067)
As at 30.09.20	10,330	5,186

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

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.20	Year ended 30.09.19	Year ended 30.09.20	Year ended 30.09.19
	£000	£000	£000	£000
Net expenses before taxation	(615)	(1,348)	(390)	(816)
Increase in debtors (excluding capital items)	629	287	–	42
Increase in creditors (excluding capital items)	471	439	28	49
Net cash inflow/(outflow) from operating activities	485	(622)	(362)	(725)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Related party transactions

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

Fund Management Fees paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of the Fund Management Fee was £30,845 (2019: £10,355). 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 (2019: £nil). The amount outstanding at the year end was £nil (2019: £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 (2019:£nil) and £nil (2019:£nil) respectively. The income received during the year amounted to £nil (2019:£nil).

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

	Holdings at 30.09.20 (shares)	Movement (shares)	Holdings at 01.10.19 (shares)
ACD and related parties (share class R (GBP) income)	1,140,868	–	1,140,868
ACD and related parties (share class I (GBP) income)	15,388,698	–	15,388,698
ACD and related parties (share class I (EUR) accumulation)	6,176,401	–	6,176,401

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

15 Shareholder funds

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

Class A: 2.14%

Class R: 2.14%

Class I: 1.89%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 11 and 12. The distributions per share class are given in the distribution tables on pages 26 and 27. All the share classes have the same rights on winding up.

16 Shares in issue reconciliation

	Number of shares in issue at 30.09.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.20
Share class A (GBP) income	310,172	–	(105,865)	–	204,307
Share class A (EUR) income	10,589	–	(3,665)	–	6,924
Share class R (GBP) income	1,877,889	–	(640,955)	–	1,236,934
Share class I (GBP) income	18,694,774	–	(6,381,058)	–	12,313,716
Share class A (EUR) accumulation	1,294,839	–	(448,132)	–	846,707
Share class A (USD) accumulation	13,514	–	(4,670)	–	8,844
Share class I (EUR) accumulation	8,755,680	–	(3,030,220)	–	5,725,460

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Derivatives and other financial instruments

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

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2019: £nil).

Foreign currency risk

At the year end date, 88.94% (2019: 100.11%) 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 8.89% (2019: 10.01%).

At the year end date, 88.94% (2019: 100.11%) 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 8.89% (2019: 10.01%).

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

Currency	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
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 59.70% (2019: 68.99%) of the net assets of the Company were interest bearing. At the year end date 100.24% (2019: 100.24%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, the interest rate risk is not considered significant.

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

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

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

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

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

Market price risk

At the year end date, nil% (2019: 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% (2019: nil%).

At the year end date, nil% (2019: 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% (2019: 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 2020 (2019: £nil). The total purchases for the year amounted to £nil (2019: £nil) and the total sales amounted to £5,192,749 (2019: £20,587,877).

19 Post balance sheet events

On 10 September 2021 the Aviva Investors European Property Fund completed the sale of ul.Rożdzieńska 49, Katowice, Poland for a sale price of £15.1m (before fees).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2020

Income shares		Net revenue	Equalisation	Final distribution payable 30 November 2020	Final distribution paid 30 November 2019
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 2020	Final distribution paid 30 November 2019
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 2020.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence/cents per share for the six months ended 31 March 2020

Income shares		Net revenue	Equalisation	Interim distribution paid 31 May 2020	Interim distribution paid 31 May 2019
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	0.0000c
	Group 2	0.0000c	0.0000c	0.0000c	0.0000c
Class R (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.0000p
	Group 2	0.0000p	0.0000p	0.0000p	0.0000p

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 31 May 2020	Interim distribution paid 31 May 2019
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 2019.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2019.

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

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

INVESTMENT OBJECTIVE

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

The Fund is structured as a Property Authorised Investment Fund.

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

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

INVESTMENT APPROACH

Core investment

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

Other investments

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

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

Strategy

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

Environmental, social and governance ("ESG") factors

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

Performance & Risk Measurement

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

The Sector has been selected as a benchmark for performance 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.

AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT

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

On 31 January 2021 the Value Assessment for these Funds determined that a strategic review should be undertaken to ensure investors' long-term interests could continue to be served. This review, combined with forecast redemption levels upon re-opening, concluded that the Funds' ability to fully benefit from the economies of scale and the diversification of investments that collective investment schemes normally bring would soon be limited.

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

The Funds will continue to be suspended and with effect from 19 July 2021 will be placed into termination. For further information, please visit our dedicated website at <https://www.avivainvestors.com/en-gb/paif/>

The below Fund Managers commentary was written before the above mentioned value assessment review on the 31 January 2021 and are the Managers view of the previous twelve months performance and activity of the Fund.

Performance

Over the twelve months to 30 September 2020, the Fund* delivered a total return of -14.7% per cent (Share Class 1 Accumulation net of fees) compared to the Investment Association UK Direct Property Sector average of -5.4%.

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. However, it must be acknowledged that the global COVID-19 pandemic has significantly impacted the Fund's strategy and performance as well as resulting in an increase to significant bad debts and arrears held within the Fund.

Review (continued)

Following the announcement by the Fund's independent valuer Knight Frank that there was "material uncertainty" in the valuation of the Fund's direct property portfolio, trading in the Fund was suspended on 18 March 2020 in line with FCA guidance. The Fund remains suspended at the date of publication.

In the quarters prior to March, the Fund had sought to build a defensive cash position in anticipation of various political events including the Conservative leadership contest, a Brexit deadline and ultimately a General Election. This strategy meant that the Fund was holding a cash buffer in the region of 20% at the point of suspension.

Over-riding market conditions during and in the wake of the initial "lockdown" have made both asset disposals and day-to-day asset management activity in the Fund challenging. Initially for logistical reasons, with physical inspections being impossible and latterly as a result of increasing economic uncertainty on the part of occupiers and nervousness around growing structural trends on the part of some investors.

The Fund has therefore not undertaken any transactional activity in the year ending 30 September 2020, however it has continued to carry out asset management activity as summarised below:

- Seven rent reviews resulting in a net uplift of close to £100,000 p.a. in rent
- Eight lease renewals and re-gears, including the surrender of the majority of the Fund's St. James Gate, Newcastle asset and the subsequent re-letting to various sub-tenants resulting in a substantially de-risked overall income profile
- Five new lettings resulting in a net uplift of close to £300,000 p.a. in rent

Outlook

The global economy has proven to be more robust to the COVID-19 crisis than many anticipated. Following the unparalleled decline in activity in first half of the year, activity has bounced back sharply, as mobility restrictions have been eased and the pressures on hospital systems have remained low. Caution on the part of most households and businesses has undoubtedly helped in preventing a more rapid spread of the virus. However, the combination of caution and restrictions on travel and hospitality continue to impede the recovery in those sectors.

This has not been a normal downturn. Although very deep, it has been decidedly short, and the start of the subsequent economic recovery is also easily identifiable. We are now four months into this economic revival. Q3 will see the strongest GDP growth rates in the post-war period, but the path of the economy after that is less clear-cut.

Given the continued uncertainty it will be important for the Fund to remain defensively positioned both in terms of its cash weighting but also from an asset management perspective, where prioritising tenant retention ahead of growth will remain important in the majority of sectors in the short term.

At the end of September, the Fund's independent valuer advised that there was sufficient evidence in the market to value the properties in the portfolio with the usual degree of certainty. The Fund Managers welcome the lifting of the "material uncertainty" clause and are optimistic that this will lead to improved liquidity in the property market. However, we are also mindful of the continuing influence of COVID-19 on the property market, and the potential impact on our near-term ability to sell properties efficiently so the Fund can maintain an adequate cash buffer to meet anticipated investors redemptions when the Fund re-opens. Consequently, the Fund will remain suspended while we continue to test the market and take action to ensure a flow of liquidity going forward.

November 2020

* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 30 September 2020 (share class 1 accumulation, net of fees).

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

AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

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 PURCHASES

There were no sales of property during the year.

DIRECT PROPERTY PURCHASES

There were no purchases of property during the year.

Performance History – Income Shares

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

* Benchmark – Investment Association UK Direct Property Sector.

Performance History – Accumulation Shares

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

* Benchmark – Investment Association UK Direct Property Sector.

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

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

COMPARATIVE TABLES

	2020	2019	2018
Class 1 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	115.81	121.53	117.73
Return before operating charges [†]	(15.30)	(0.53)	7.96
Operating charges	(2.17)	(2.48)	(1.93)
Return after operating charges [†]	(17.47)	(3.01)	6.03
Distributions	(1.52)	(2.71)	(2.23)
Closing net asset value per share	96.82	115.81	121.53
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(15.09)%	(2.48)%	5.12%
Other information			
Closing net asset value (£000)	27,555	34,558	24,714
Closing number of shares	28,461,217	29,839,544	20,335,663
Operating charges (%) [†]	2.04%	2.05%	1.61%
Direct transaction costs (%) [†]	–	–	–
Prices[°]			
Highest share price	114.86	121.12	126.03
Lowest share price	96.16	116.07	116.54

	2020	2019	2018
Class 1 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	178.56	183.07	174.04
Return before operating charges [†]	(23.71)	(0.75)	11.90
Operating charges	(3.37)	(3.76)	(2.87)
Return after operating charges [†]	(27.08)	(4.51)	9.03
Distributions	(2.36)	(4.13)	(3.28)
Retained distributions on accumulation shares	2.36	4.13	3.28
Closing net asset value per share	151.48	178.56	183.07
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(15.17)%	(2.46)%	5.19%
Other information			
Closing net asset value (£000)	51,026	67,260	68,940
Closing number of shares	33,684,936	37,669,223	37,657,336
Operating charges (%) [†]	2.04%	2.05%	1.61%
Direct transaction costs (%) [†]	–	–	–
Prices[°]			
Highest share price	176.42	182.45	187.70
Lowest share price	150.43	176.40	172.26

	2020	2019	2018
Class 2 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	107.40	112.70	109.13
Return before operating charges [†]	(14.21)	(0.14)	7.31
Operating charges	(1.74)	(2.00)	(1.23)
Return after operating charges [†]	(15.95)	(2.14)	6.08
Distributions	(1.54)	(3.16)	(2.51)
Closing net asset value per share	89.91	107.40	112.70
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.85)%	(1.90)%	5.57%
Other information			
Closing net asset value (£000)	8,588	13,089	85,642
Closing number of shares	9,551,752	12,187,583	75,990,275
Operating charges (%) [†]	1.76%	1.77%	1.10%
Direct transaction costs (%) [†]	–	–	–
Prices[°]			
Highest share price	106.51	112.42	113.07
Lowest share price	89.24	107.42	108.02

	2020	2019	2018
Class 2 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	127.95	130.59	123.71
Return before operating charges [†]	(16.99)	(0.32)	8.28
Operating charges	(2.09)	(2.32)	(1.40)
Return after operating charges [†]	(19.08)	(2.64)	6.88
Distributions	(1.87)	(3.54)	(2.86)
Retained distributions on accumulation shares	1.87	3.54	2.86
Closing net asset value per share	108.87	127.95	130.59
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.91)%	(2.02)%	5.56%
Other information			
Closing net asset value (£000)	24,005	37,605	108,097
Closing number of shares	22,048,134	29,390,289	82,776,296
Operating charges (%) [†]	1.76%	1.77%	1.10%
Direct transaction costs (%) [†]	–	–	–
Prices[°]			
Highest share price	126.12	130.23	129.87
Lowest share price	108.05	126.09	122.44

COMPARATIVE TABLES (CONTINUED)

	2020	2019	2018
	p per share	p per share	p per share
Class 5 Income			
Change in net assets per share			
Opening net asset value per share	111.85	117.38	113.66
Return before operating charges [†]	(14.79)	(0.52)	7.68
Operating charges	(1.74)	(2.00)	(1.20)
Return after operating charges [†]	(16.53)	(2.52)	6.48
Distributions	(1.66)	(3.01)	(2.76)
Closing net asset value per share	93.66	111.85	117.38
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.78)%	(2.15)%	5.70%
Other information			
Closing net asset value (£000)	601	843	1,204
Closing number of shares	641,338	753,685	1,025,954
Operating charges (%) [†]	1.69%	1.70%	1.03%
Direct transaction costs (%) [†]	–	–	–
Prices[°]			
Highest share price	110.94	117.66	117.72
Lowest share price	92.96	112.25	112.51

	2019 [§]	2018
	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
Return before operating charges [†]	(112.25)	7.36
Operating charges	(0.19)	(1.54)
Return after operating charges [†]	(112.44)	5.82
Distributions	–	(2.28)
Closing net asset value per share	–	112.44
† after direct transaction costs of	–	–
Performance		
Return after operating charges	–	5.34%
Other information		
Closing net asset value (£000)	–	14,755
Closing number of shares	–	13,122,251
Operating charges (%) [†]	–	1.38%
Direct transaction costs (%) [†]	–	–
Prices[°]		
Highest share price	111.99	116.77
Lowest share price	111.27	107.79

	2019 [§]	2018
	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
Return before operating charges [†]	(128.70)	8.30
Operating charges	(0.22)	(1.74)
Return after operating charges [†]	(128.92)	6.56
Distributions	–	(2.55)
Retained distributions on accumulation shares	–	2.55
Closing net asset value per share	–	128.92
† after direct transaction costs of	–	–
Performance		
Return after operating charges	–	5.36%
Other information		
Closing net asset value (£000)	–	15,620
Closing number of shares	–	12,116,209
Operating charges (%) [†]	–	1.38%
Direct transaction costs (%) [†]	–	–
Prices[°]		
Highest share price	128.27	132.21
Lowest share price	127.44	121.09

	2020	2019	2018 ^{§§}
	p per share	p per share	p per share
Class 7 Income			
Change in net assets per share			
Opening net asset value per share	94.54	99.97	100.00
Return before operating charges [†]	(12.48)	(0.50)	1.04
Operating charges	(1.51)	(1.76)	(0.12)
Return after operating charges [†]	(13.99)	(2.26)	0.92
Distributions	(2.04)	(3.17)	(0.95)
Closing net asset value per share	78.51	94.54	99.97
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.80)%	(2.26)%	0.92%
Other information			
Closing net asset value (£000)	378	164	174
Closing number of shares	502,172	173,745	173,745
Operating charges (%) [†]	1.76%	1.77%	1.12%
Direct transaction costs (%) [†]	–	–	–
Prices[°]			
Highest share price	93.76	100.21	100.39
Lowest share price	78.35	95.23	99.05

COMPARATIVE TABLES (CONTINUED)

Class D Income	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	98.68	103.78	100.74
Return before operating charges [†]	(13.13)	(0.67)	6.60
Operating charges	(0.95)	(1.09)	(0.39)
Return after operating charges [†]	(14.08)	(1.76)	6.21
Distributions	(2.08)	(3.34)	(3.17)
Closing net asset value per share	82.52	98.68	103.78
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.27)%	(1.70)%	6.16%
Other information			
Closing net asset value (£000)	102,546	160,316	217,729
Closing number of shares	124,269,336	162,456,106	209,808,684
Operating charges (%) [‡]	1.04%	1.05%	0.38%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	98.79	104.83	104.42
Lowest share price	82.52	98.70	100.77

Class D Accumulation	2020 p per share	2019 p per share	2018 p per share
Change in net assets per share			
Opening net asset value per share	105.51	107.33	101.06
Return before operating charges [†]	(14.17)	(0.69)	6.67
Operating charges	(1.02)	(1.13)	(0.40)
Return after operating charges [†]	(15.19)	(1.82)	6.27
Distributions	(2.18)	(3.53)	(3.00)
Retained distributions on accumulation shares	2.18	3.53	3.00
Closing net asset value per share	90.32	105.51	107.33
† after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(14.40)%	(1.70)%	6.20%
Other information			
Closing net asset value (£000)	177,716	254,968	351,782
Closing number of shares	196,760,338	241,649,023	327,762,684
Operating charges (%) [‡]	1.04%	1.05%	0.38%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	105.25	108.42	107.23
Lowest share price	90.32	105.16	101.08

§ 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**
	30.09.20	30.09.20	30.09.19	30.09.19
Class 1	1.02%	1.02%	1.02%	0.77%
Class 2	0.74%	1.02%	0.74%	0.77%
Class 5	0.67%	1.02%	0.67%	0.77%
Class 7	0.74%	1.02%	0.74%	0.77%
Class D	0.02%	1.02%	0.02%	0.77%

* 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 2020

Investment	Currency	Holding	Market Value £000	% of Net Assets
Property Related Assets 0.00% (0.00%)				
Land Securities Group plc	GBP	194	1	–
Total property related assets			1	–
Direct Properties 79.62% (68.37%)				
Market values up to £20,000,000				
Development Land, Dyce Drive, Aberdeen	GBP			
Longus House, 40 – 48 Eastgate Street, Chester	GBP			
Aberdeen Business Park, Aberdeen	GBP			
St James Gate, Office Block 1	GBP			
Spurriergate, York, Units 1-5, Spurriergate, Units 1-3 High Ousegate	GBP			
Castle Bromwich Business Park, Birmingham	GBP			
Central Studios, Reading, Berkshire RG1 1NP	GBP			
Total market values up to £20,000,000			65,193	16.61
Adjustments for lease incentives			(899)	(0.23)
			64,294	16.38
Market values over £20,000,000				
The Corn Exchange, Exchange Square, Manchester	GBP			
Lombardy Retail Park, Hayes	GBP			
Colmore Gate, 2-6 Colmore Row, Birmingham	GBP			
The Guildhall Shopping Centre, Exeter	GBP			
Ealing Cross, 85 Uxbridge Road, London W5 5TH	GBP			
Total market values over £20,000,000			255,995	65.23
Adjustments for lease incentives			(7,077)	(1.80)
			248,918	63.43
Total direct properties			321,188	81.84
Total adjustment for lease incentives			(7,976)	(2.03)
Total direct properties after adjustments			313,212	79.81
Liquidity Funds 2.29% (13.89%)¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	9,000,000	9,000	2.29
Liquidity funds total			9,000	2.29
Investment assets ²			322,213	82.10
Fair Value adjustment			7,611	1.94
Net other assets			62,607	15.96
Net assets			392,431	100.00

The comparative figures are as at 30 September 2019.

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

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2020

	Notes	£000	Year ended 30.09.20 £000	£000	Year ended Restated 30.09.19 £000
Income					
Net capital losses	2		(80,618)		(35,337)
Revenue*	3	27,203		39,972	
Expenses*	4	(16,932)		(15,921)	
Interest payable and similar charges	5	(316)		(316)	
Net revenue before taxation		9,955		23,735	
Taxation	6	–		(32)	
Net revenue after taxation			9,955		23,703
Total return before distributions			(70,663)		(11,634)
Distributions	7		(10,209)		(23,719)
Change in net assets attributable to shareholders from investment activities			(80,872)		(35,353)

* The amounts have been restated in relation to service charges, please see note 24 for further information.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2020

	£000	Year ended 30.09.20 £000	£000	Year ended 30.09.19 £000
Opening net assets attributable to shareholders		568,803		888,657
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	1,836		3,433	
Amounts payable on cancellation of shares	(103,777)		(303,235)	
		(101,941)		(299,802)
Dilution adjustment		947		3,107
Change in net assets attributable to shareholders from investment activities (see above)		(80,872)		(35,353)
Retained distribution on accumulation shares		5,494		12,193
Unclaimed distributions		–		1
Closing net assets attributable to shareholders		392,431		568,803

BALANCE SHEET

As at 30 September 2020

	Notes	As at 30.09.20 £000	As at Restated 30.09.19 £000
Current assets:			
Debtors*	9	24,813	25,010
Cash and bank balances	10	61,030	99,822
Cash equivalents	11	9,000	79,000
Investments available for sale		313,213	388,908
Total assets		408,056	592,740
Liabilities:			
Creditors:			
Distribution payable		(275)	(3,888)
Finance lease payable	22	(7,611)	(7,312)
Other creditors*	12	(7,739)	(12,737)
Total liabilities		(15,625)	(23,937)
Net assets attributable to shareholders		392,431	568,803

* The amounts have been restated in relation to service charges, please see note 24 for further information.

CASH FLOW STATEMENT

For the year ended 30 September 2020

	Note	£000	Year ended 30.09.20 £000	£000	Year ended Restated 30.09.19 £000
Net cash inflow from operating activities	20		10,929		29,926
Servicing of finance					
Distributions paid			(6,795)		(7,456)
Taxation					
Taxation paid			(3,495)		(2,820)
			639		19,650
Financial investments					
Purchases of investments		(50,100)		(220,805)	
Sales of investments		50,300		210,805	
Capital expenditure*		(5,047)		284,979	
			(4,847)		274,979
Financing					
Interest paid from income		654		289	
Finance lease payments		(316)		(316)	
Amounts received on issue of shares		8,323		67,097	
Amounts paid on cancellation of shares		(113,245)		(361,864)	
			(104,584)		(294,794)
Decrease in cash in the year			(108,792)		(165)
Net cash and cash equivalents at the start of the year			178,822		178,356
Net cash and cash equivalents at the end of the year			70,030		178,822

* The amounts have been restated due to an arithmetical error please see note 24 for further information.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital losses

	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Net capital losses on investment during the year comprise:		
Direct properties	(80,618)	(35,337)
Net capital losses**	(80,618)	(35,337)

** Total realised losses for the year were £(2,320,292) (2019: £83,776,443) and the movement in unrealised losses was £(78,297,090) (2019: £(119,113,237)). Included in realised losses for the year were unrealised losses recognised in previous years.

3 Revenue

	Year ended 30.09.20 £000	Year ended Restated 30.09.19 £000
Bank and deposit interest	99	108
Interest on debt securities	196	483
Property rental income	20,903	33,130
Service charges*	6,005	6,251
Total revenue	27,203	39,972

* The amounts have been restated in relation to service charges, please see note 24 for further information.

4 Expenses

	Year ended 30.09.20 £000	Year ended Restated 30.09.19 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Fund Management Fee	1,250	2,175
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Interest payable	4	2
Other expenses:		
Bad debt written off	943	354
Head rent	21	(19)
Insurance	187	81
Lease incentives	98	(1,627)
Maintenance costs	498	182
Marketing costs	41	33
Non-recoverable expenses	4,701	2,392
Professional fee	893	2,749
Valuer's fees	48	28
Void rates	1,101	222
Void service charge costs	1,142	3,098
Service charges*	6,005	6,251
	15,678	13,744
Total expenses	16,932	15,921

The audit fee was £89,501 (2019: £60,241) net of VAT.

* The amounts have been restated in relation to service charges, please see note 24 for further information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Interest payable and similar charges

	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Interest payable	316	316
Total interest payable and similar charges	316	316

6 Taxation**a Analysis of tax charge**

	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Adjustment in respect of prior period	–	32
Total tax for the year (see note 6b)	–	32

b Factors affecting current tax charge

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2019: 20%).

The differences are explained below:

	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Net revenue before taxation	9,955	23,735
Corporation tax at 20%	1,991	4,747
Effects of:		
Adjustments in respect of prior period	–	32
Equalisation on the Property stream not subject to corporation tax	–	(685)
Interest revenue distributed gross	(58)	(235)
Property income not subject to corporation tax	(2,182)	(3,380)
Shadow capital allowance not subject to corporation tax	–	(447)
Fund management fee deficit	250	–
Current tax charge (see note 6a)	–	32

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 (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Distributions

	Year ended 30.09.20 £000	Year ended 30.09.19 £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	9,365	10,382
Final distribution	740	12,495
	10,105	22,877
Add: Revenue deducted on cancellation of shares	105	846
Deduct: Revenue received on issue of shares	(1)	(4)
Total distributions	10,209	23,719
Reconciliation of distributions for the period to net revenue after taxation		
Distributions for the year	10,209	23,719
ACD's periodic charge borne by the capital account	(3)	(1)
Equalisation on conversions	(6)	(15)
Net expense payable from capital	(245)	–
Net revenue after taxation	9,955	23,703

Details of the distributions per share are set out in the distribution tables on pages 48 to 51.

8 Fair value hierarchy

Valuation technique	As at 30.09.20 Assets £000	As at 30.09.19 Assets £000
Level 1: Quoted prices	1	1
Level 2: Observable market data	9,000	79,000
Total value	9,001	79,001

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 30.09.20 £000	As at 30.09.19 £000
Accrued revenue	1	48
Current property capital debtor	3,497	2,328
Income tax recoverable	223	–
Lease incentive debtor	751	849
Managing agent or other property debtor	8,980	12,123
Rent free debtor	7,225	7,693
Service charge debtor*	4,136	1,969
Total debtors	24,813	25,010

* The amounts have been restated in relation to service charges, please see note 24 for further information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Cash and bank balances

	As at 30.09.20 £000	As at 30.09.19 £000
Amounts held at futures clearing houses and brokers	42,870	30,567
Cash and bank balances	18,160	69,255
Total cash and bank balances	61,030	99,822

11 Cash equivalents

	As at 30.09.20 £000	As at 30.09.19 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	9,000	79,000
Total cash equivalents	9,000	79,000

12 Other creditors

	As at 30.09.20 £000	As at Restated 30.09.19 £000
Accrued expenses	206	231
Amounts payable for cancellation of shares	–	3,825
Current property revenue creditor*	2,756	4,111
Income tax withheld on distributions	–	1,842
Service charge creditor**	4,136	1,969
VAT net payable account	641	759
Total other creditors	7,739	12,737

* The current property revenue creditor includes a legal provision recognised in the year relating to contractual disputes with tenants. The current provision represents management's best estimate in relation to these claims as at the balance sheet date. No significant material post balance events have taken place that impact the measurement of the provision as at the date of the approval of the financial statements. The provision as at year end was £1,650,000 (2019: £1,275,000).

** The amounts have been restated in relation to service charges, please see note 24 for further information.

13 Investment property

as at 30 September 2020	Land and buildings £000
Opening fair value of investment property as at 1 October 2019	388,907
Property acquisitions	–
Property disposals	–
Capital Expenditure – Additions	2,335
Net gains or losses from fair value adjustments	(78,030)
Closing fair value of investment property as at 30 September 2020	313,212

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, £nil (2019: £750,000), 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 paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £97,308 (2019: £118,602). Any balance due from the ACD in respect of issues is shown in note 9. Any balance due to the ACD in respect of cancellations is shown in note 12.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £457,775 (2019: £623,339). The amount outstanding at the year end was £665 (2019: £299,459). 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 ended 30 September 2020 amounted to £50,300,000 (2019: £220,804,712) and £120,300,000 (2019: £269,74,712) respectively. The income received during the year ended 30 September 2020 amounted to £196,149 (2019: £482,774).

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

	Holdings at 30.09.20 (shares)	Movement (shares)	Holdings at 30.09.19 (shares)
ACD and related parties (Class 1 Income shares)	13,388,465	–	13,388,465
ACD and related parties (Class 2 Income shares)	783,146	–	783,146
ACD and related parties (Class 1 Accumulation shares)	2,762	–	2,762
ACD and related parties (Class 2 Accumulation shares)	2,843,248	–	2,843,248

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 31 to 33. The distributions per share class are given in the distribution tables on pages 48 to 51. All the share classes have the same rights on winding up.

17 Shares in issue reconciliation

	Number of shares in issue at 30.09.19	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.20
Class 1 Income shares	29,839,544	–	(1,968,896)	590,569	28,461,217
Class 2 Income shares	12,187,583	–	(2,685,214)	49,383	9,551,752
Class 5 Income shares	753,685	–	(112,347)	–	641,338
Class 7 Income shares	173,745	–	–	328,427	502,172
Class D Income shares	162,456,106	1,256,549	(39,308,249)	(135,070)	124,269,336
Class 1 Accumulation shares	37,669,223	–	(4,209,287)	225,000	33,684,936
Class 2 Accumulation shares	29,390,289	–	(7,474,573)	132,418	22,048,134
Class D Accumulation shares	241,649,023	620,170	(44,101,719)	(1,407,136)	196,760,338

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 (2019: £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 17.80% (2019: 31.44%) 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 30.09.20	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	70,030	313,213	20,677	403,920
Financial Liabilities				
Sterling	–	–	(11,489)	(11,489)
Total	70,030	313,213	9,188	392,431

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

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, 84.05% (2019: 82.26%) 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 8.41% (2019: 8.23%).

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.

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

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	–	3,888
Finance lease liability	–	7,212	–	7,212
Other creditors	–	10,768	–	10,768
Total	–	21,868	–	21,868

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 2020 (2019: £nil). The total purchases for the year amounted to £54,905,692 (2019: £233,190,508) and the total sales amounted to £122,654,687 (2019: £564,982,686).

Dealing spread

As at 30 September 2020, the average portfolio dealing spread was nil% (2019: nil%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

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

	Year ended 30.09.20 £000	Year ended Restated 30.09.19 £000
Net revenue before taxation	9,955	23,735
(Increase)/decrease in debtors*	(1,971)	6,766
Increase/(decrease) in creditors*	2,945	(575)
Net cash inflow from operating activities	10,929	29,926

* The amounts have been restated in relation to service charges, please see note 24 for further information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Post balance sheet events

On 18 May 2021 the Aviva Investor UK Property Fund completed the sale of Ealing Cross, 85 Uxbridge Road, London W5 5TH for a sale price of £69.2m (before fees).

On 22 August 2021 the Aviva Investor UK Property Fund completed the sale of Lombardy Retail Park, Hayes for a sale price of £42.5m (before fees).

On 13 September 2021 the Aviva Investor UK Property Fund completed the sale of Colmore Gate, 2-6 Colmore Row, Birmingham for a sale price of £39.5m (before fees).

Following a value assessment review dated 31 January 2021, Aviva Investors UK Fund Services Limited concluded that it would now be in investors' interests to wind-up the Aviva Investors UK Property Fund and return cash to investors in a fair and orderly manner. The ACD estimates that the costs associated with selling the investment property portfolio is expected to be 1% of the value of properties. With effect from 19 July 2021 the Fund was placed into termination.

As at 28 September 2021 the value of the remaining properties in the Fund was £140,893,000.

There have been £169,044,692 redemptions since the year end which is 43.08% of the net asset value at year end.

As a result of market movements since the balance sheet date on 30 September 2020, the price of each share class has changed as follows:

Share Class	Share Price in class currency 30.09.20	Share Price in class currency 28.09.21	Increase/ (Decrease) %	Net Asset Value (£) 28.09.21
Class 1 Income	96.82	90.38	-6.65	13,919,387
Class 1 Accumulation	151.48	142.54	-5.90	25,980,530
Class 2 Income	89.91	84.00	-6.57	4,341,694
Class 2 Accumulation	108.87	102.64	-5.72	12,244,950
Class 5 Income	93.66	87.53	-6.54	303,767
Class 7 Income	78.51	73.07	-6.93	198,546
Class D Income	82.52	77.25	-6.39	51,946,005
Class D Accumulation	90.32	85.58	-5.25	91,117,508

22 Operating leases

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

	As at 30.09.20 £000	As at 30.09.19 £000
Not later than one year	18,306	18,352
Later than one year and not later than five years	37,874	45,791
Later than five years	229,237	281,444
Total	285,416	345,587

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 Finance Lease Payable

The following direct properties have finance lease commitments:

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

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

	Year ended 30.09.20 £000	Year ended 30.09.19 £000
Commitments in relation to finance leases are payable as follows:		
Not later than one year	326	325
Later than one year and not later than five years	1,303	1,300
Later than five years	24,804	24,997
Minimum lease payments	26,433	26,622
Future finance charges	18,822	19,310
Total Lease payments	7,611	7,312
The present value of finance lease liabilities are as follows:		
Not later than one year	316	315
Later than one year and not later than five years	1,260	1,257
Later than five years	17,251	17,738
Minimum lease payments	18,827	19,310
Finance lease amortisation		
Brought forward at 1 October	26,593	7,322
Carried forward at 30 September	26,403	7,234
Finance lease amortisation	190	88

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

24 Prior Year restatement

The financial statements for the year ended 31 December 2019 have been restated due to a discrepancy in the presentation of recoverable service charges. Service charge income and service charge expenses, which were previously aggregated, are now grossed up and presented individually in the Statement of Total Return under income and expenses. These are also presented separately in the Balance Sheet as service charge debtors and service charge creditors which were previously offset.

The Cashflow statement has been updated due to an arithmetical error where Net Cash inflow from operating activities was excluded from the subtotal and included within Capital expenditure.

DISTRIBUTION TABLES

Final distribution payable in pence per share for the six months ended 30 September 2020

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2020	Final distribution paid 30 November 2019
Class 1	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.1587
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.1587
	Interest distribution	Group 1			0.0038	–	0.0038	0.0397
		Group 2			0.0038	0.0000	0.0038	0.0397
	Dividend distribution	Group 1			0.0000	–	0.0000	0.4558
		Group 2			0.0000	0.0000	0.0000	0.4558
Class 2	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.4655
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.4655
	Interest distribution	Group 1			0.0036	–	0.0036	0.0478
		Group 2			0.0036	0.0000	0.0036	0.0478
	Dividend distribution	Group 1			0.0000	–	0.0000	0.4226
		Group 2			0.0000	0.0000	0.0000	0.4226
Class 5	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.3735
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.3735
	Interest distribution	Group 1			0.0037	–	0.0037	0.0419
		Group 2			0.0037	0.0000	0.0037	0.0419
	Dividend distribution	Group 1			0.0000	–	0.0000	0.4402
		Group 2			0.0000	0.0000	0.0000	0.4402
Class 7	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.0567
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.0567
	Interest distribution	Group 1			0.0031	–	0.0031	0.0324
		Group 2			0.0031	0.0000	0.0031	0.0324
	Dividend distribution	Group 1			0.3038	–	0.3038	0.7371
		Group 2			0.3038	0.0000	0.3038	0.7371
Class D	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.5090
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.5090
	Interest distribution	Group 1			0.0033	–	0.0033	0.0361
		Group 2			0.0033	0.0000	0.0033	0.0361
	Dividend distribution	Group 1			0.2153	–	0.2153	0.3883
		Group 2			0.2153	0.0000	0.2153	0.3883

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2020	Final distribution paid 30 November 2019
Class 1	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.7712
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.7712
	Interest distribution	Group 1			0.0060	–	0.0060	0.0608
		Group 2			0.0060	0.0000	0.0060	0.0608
	Dividend distribution	Group 1			0.0000	–	0.0000	0.7000
		Group 2			0.0000	0.0000	0.0000	0.7000
Class 2	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.6559
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.6559
	Interest distribution	Group 1			0.0043	–	0.0043	0.0511
		Group 2			0.0043	0.0000	0.0043	0.0511
	Dividend distribution	Group 1			0.0000	–	0.0000	0.0000
		Group 2			0.0000	0.0000	0.0000	0.0000
Class D	Property distribution	Group 1	0.0000	0.0000	0.0000	–	0.0000	1.6143
		Group 2	0.0000	0.0000	0.0000	0.0000	0.0000	1.6143
	Interest distribution	Group 1			0.0036	–	0.0036	0.0385
		Group 2			0.0036	0.0000	0.0036	0.0385
	Dividend distribution	Group 1			0.2316	–	0.2316	0.4137
		Group 2			0.2316	0.0000	0.2316	0.4137

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2020.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2020.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the six months ended 31 March 2020

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2020	Interim distribution paid 31 May 2019
Class 1	Property distribution	Group 1	1.2163	0.2433	0.9730	–	0.9730	0.4740
		Group 2	0.5352	0.1071	0.4281	0.5449	0.9730	0.4740
	Interest distribution	Group 1			0.0611	–	0.0611	0.0545
		Group 2			0.0611	0.0000	0.0611	0.0545
	Dividend distribution	Group 1			0.4823	–	0.4823	0.5252
		Group 2			0.4823	0.0000	0.4823	0.5252
Class 2	Property distribution	Group 1	1.2913	0.2583	1.0330	–	1.0330	0.6812
		Group 2	0.8714	0.1743	0.6971	0.3359	1.0330	0.6812
	Interest distribution	Group 1			0.0584	–	0.0584	0.0566
		Group 2			0.0584	0.0000	0.0584	0.0566
	Dividend distribution	Group 1			0.4472	–	0.4472	0.4871
		Group 2			0.4472	0.0000	0.4472	0.4871
Class 5	Property distribution	Group 1	1.4127	0.2825	1.1302	–	1.1302	0.5964
		Group 2	1.4127	0.2825	1.1302	0.0000	1.1302	0.5964
	Interest distribution	Group 1			0.0608	–	0.0608	0.0526
		Group 2			0.0608	0.0000	0.0608	0.0526
	Dividend distribution	Group 1			0.4658	–	0.4658	0.5073
		Group 2			0.4658	0.0000	0.4658	0.5073
Class 7	Property distribution	Group 1	1.2034	0.2407	0.9627	–	0.9627	0.4963
		Group 2	1.2034	0.2407	0.9627	0.0000	0.9627	0.4963
	Interest distribution	Group 1			0.0473	–	0.0473	0.0452
		Group 2			0.0473	0.0000	0.0473	0.0452
	Dividend distribution	Group 1			0.7195	–	0.7195	0.8002
		Group 2			0.7195	0.0000	0.7195	0.8002
Class D	Property distribution	Group 1	1.7339	0.3467	1.3872	–	1.3872	0.9050
		Group 2	1.7339	0.3467	1.3872	0.0000	1.3872	0.9050
	Interest distribution	Group 1			0.0610	–	0.0610	0.0507
		Group 2			0.0610	0.0000	0.0610	0.0507
	Dividend distribution	Group 1			0.4101	–	0.4101	0.4480
		Group 2			0.4101	0.0000	0.4101	0.4480

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2020	Interim distribution paid 31 May 2019
Class 1	Property distribution	Group 1	1.8878	0.3776	1.5102	–	1.5102	0.7154
		Group 2	0.8476	0.1695	0.6781	0.8321	1.5102	0.7154
	Interest distribution	Group 1			0.0953	–	0.0953	0.0830
		Group 2			0.0953	0.0000	0.0953	0.0830
	Dividend distribution	Group 1			0.7527	–	0.7527	0.7977
		Group 2			0.7527	0.0000	0.7527	0.7977
Class 2	Property distribution	Group 1	1.5680	0.3136	1.2544	–	1.2544	0.7037
		Group 2	0.7297	0.1460	0.5837	0.6707	1.2544	0.7037
	Interest distribution	Group 1			0.0703	–	0.0703	0.0625
		Group 2			0.0703	0.0000	0.0703	0.0625
	Dividend distribution	Group 1			0.5401	–	0.5401	0.5695
		Group 2			0.5401	0.0000	0.5401	0.5695
Class D	Property distribution	Group 1	1.7920	0.3584	1.4336	–	1.4336	0.9416
		Group 2	1.7920	0.3584	1.4336	0.0000	1.4336	0.9416
	Interest distribution	Group 1			0.0628	–	0.0628	0.0529
		Group 2			0.0628	0.0000	0.0628	0.0529
	Dividend distribution	Group 1			0.4466	–	0.4466	0.4695
		Group 2			0.4466	0.0000	0.4466	0.4695

Interim distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2019.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2019.

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 2020 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
30 September 2021

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 Company in accordance with the regulations and the Scheme documents of the Company.

J. P. Morgan Europe Limited
London
30 September 2021

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 2020 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 2020, the market value of the immovables of Aviva Investors European Property Fund was €8,990,000.

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 2020

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 2020 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 2020, the market value of the immovables of Aviva Investors UK Property Fund was £313,212,000.

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 2020

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 September 2020 and of the net revenue/expense and the net capital 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 is an Open Ended Investment Company ("OEIC") with 2 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 30 September 2020; the statements of total return, the statements of changes 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 a on page 6 (Basis of accounting) which describes the Authorised Corporate Director's reasons why the financial statements have been prepared on a basis other than going concern.

REPORTING ON OTHER INFORMATION

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

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

Authorised Corporate Director's Report

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 52, 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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
30 September 2021

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

Value Assessments for the Aviva Investors Property Funds can now be found at www.avivainvestors.com/value-assessments.

REMUNERATION POLICY (UNAUDITED)

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

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives. There are four components of pay: base salary; annual bonus (including deferred bonus); long term incentive awards; and benefits. Aviva believes in rewarding strong performance and the achievement of our business and individual goals; however, the manner in which these goals are achieved is also an important factor in determining outcomes. Annual bonus awards are discretionary and where bonuses are £75,000 and over, a 3 year deferral with pro-rata vesting in Aviva Investors funds and/or Aviva Group plc shares occurs.

The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against personal objectives, including Risk and Control objectives, as well as Aviva Investors' and the business unit performance against agreed targets. 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 2019, apportioned remuneration based on the time assessed to be spent on AIUKFSL (in its role as AIFM) to its senior management team, and Code Staff:

	Senior Management	Other Code Staff
Total Remuneration:	£1.8m	£1.5m
Of which, Fixed Remuneration:	20.5%	34.5%
Variable Remuneration:	72.5%	48.0%
Pension/Benefits:	7%	17.5%
Number of Code staff:	18	30

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.
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