

AVIVA INVESTORS PROPERTY FUNDS ICVC

Annual Report and Financial Statements

For the year ended 30 September 2017

CONTENTS

Company Information*	2
Report of the Authorised Corporate Director*	3
Statement of Cross Holdings	5
Policies and Risks	6
Aviva Investors Asia Pacific Property Fund	9
Aviva Investors European Property Fund	27
Aviva Investors UK Property Fund	48
Statement of the Authorised Corporate Director's Responsibilities*	66
Authorised Corporate Director's Statement*	66
Statement of the Depositary's Responsibilities	67
Depositary's Report to the Shareholders	67
Independent Property Valuer's Report to the Shareholders	68
Independent Auditors' Report to the Members of Aviva Investors Property Funds ICVC	69
Securities Financing Transactions Regulation Disclosure	71
General Information	71

* 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").

Changes to Registered Office

With effect from 19 December 2016, the registered office for the ACD was changed to St Helen's, 1 Undershaft, London, EC3P 3DQ. Prior to this date, the registered office was No. 1 Poultry, London, EC2R 8EJ.

DIRECTORS

I Buckle
J Misselbrook (resigned 23 November 2017)
S Ebenston
M Craston (resigned 8 February 2017, appointed 1 November 2017)
G Cass (resigned 8 February 2017)
D Skinner (appointed 10 February 2017)
J Leadsom (appointed 6 April 2017)
D Clayton (appointed 5 April 2017)

REGISTRAR

DST Financial Services Europe Ltd
DST House
St Nicholas Lane
Basildon
Essex, SS15 5FS

Changes to Registrar name

With effect from 14 August 2017, the name of the Registrar was changed to DST Financial Services Europe Ltd. Prior to this date, the name was International Financial Data Services (UK) Limited.

ADMINISTRATOR

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

INVESTMENT MANAGER

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

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

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

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

Changes to Registered Office

With effect from 19 December 2016, the registered office for the Investment Manager was changed to St Helen's, 1 Undershaft, London, EC3P 3DQ. Prior to this date, the registered office was No. 1 Poultry, London, EC2R 8EJ.

DEPOSITARY

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

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

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

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

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

Knight Frank LLP
55 Baker Street
London
W1U 8AN

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Property Funds ICVC (the Company) is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales since 2 May 2008. The property of the Company is entrusted to Citibank Europe plc, UK Branch (the Depositary). The shareholders are not liable for any debts of the Company.

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

The Company has an umbrella structure which means that it may contain more than one Fund, each with a different investment objective. There is currently one Fund available for investment in the Company, the Aviva Investors UK Property Fund. Please note that the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund are in the process of being terminated and are closed for further investment.

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 Authorised 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 2017. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the period. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding any Annual General Meetings.

SIGNIFICANT INFORMATION

On 18 August 2017 Aviva Investors UK Fund Services Limited launched a new sub-fund within the Aviva Investors Property Funds ICVC called the Aviva Investors UK Property Fund. The new sub-fund is a Property Authorised Investment Fund.

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

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

The Aviva Investors European Property Fund suspended dealing on 8 December 2015 and is in the process of being closed. Of the twelve properties that were within the Fund at the point of suspension, ten sales have been completed. Of the two remaining assets, one is 'Exchanged' and one is 'Under Offer'. To date, investors have received 80.3% of the Fund's GBP value at suspension. It is important to note that until the sale of a property completes the sale values may be subject to change and the expected time frame for returning investors' full investment cannot be confirmed. The ACD expects to be in a position to be able to make a further payment to investors in the first quarter of 2018.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION (CONTINUED)

FATCA AND CRS REPORTING

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

REMUNERATION

UCITS V came into effect on 18 March 2016 and the ACD has been subject to the UCITS Remuneration Code from that date. Up to date details of its remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated and (ii) the identities of persons responsible for awarding remuneration and benefits, including the composition of the Aviva Investors Remuneration Committee, are available from the ACD's website at <https://uk.avivainvestors.com/gb/en/individual/about-us/for-todays-investor.html>. A paper copy of the information available from the ACD's website in relation to remuneration is also available free of charge on request from the ACD.

The ACD is also required to disclose a range of information in relation to UCITS remuneration paid in respect of each full performance period after the implementation of UCITS V. As the first full performance period for the ACD will be the period from 1 January 2017 to 31 December 2017, that information is therefore not available to the ACD for this annual accounting period and as such no remuneration disclosures have been included in these financial statements. A full remuneration disclosure setting out the information required by COLL 4.5.7R(7) will be included in the annual financial statements from the year ended 30 September 2018.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 30 September 2017.

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 Asia Pacific Property Fund and European Property Fund at the earliest opportunity and therefore the financial statements of these Funds have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of these Funds continue to be stated at their fair values which materially equate to their realisable values. No adjustments were necessary in the Funds' financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

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

b Consolidation

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

c Share classes

The Funds have three types of share classes; retail shares (classes A, R, 1 and 6), institutional shares (classes I, 2 and 5) 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 and 5 consist of income shares. Share classes A, D, I, 1, 2 and 6 consist of both income and accumulation shares. Some shares classes are priced in currencies other than Sterling.

d Recognition of revenue

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

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

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

e Basis of valuation of investments

Direct properties are independently valued on an open market value in accordance with Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Standards (The Red Book) as advised by the Independent Valuer in accordance with the Prospectus. Where the ACD, the Depositary or Independent Valuer have reasonable grounds to believe that the most recent valuation of a property does not reflect the current value, the property will be valued at a value that is fair and reasonable. Where legal completion of a purchase is not fully executed at the date of the balance sheet, but takes place subsequently (or, in the case of development properties purchased for development, where no work has yet taken place), the property is shown at cost unless, in the opinion of the Authorised Corporate Director ("ACD"), there may be a material difference between cost and valuation on completion. Property investments were last valued by Simon Threlfall MRICS Senior Director of CBRE Limited on 30 September 2017. Property investments for the UK Property Fund were last valued by Michael Crowe MRICS and Robert Gray FRICS, both Partners of Knight Frank LLP on 30 September 2017.

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

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

f Property purchases and sales

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

g Exchange rates

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

h Taxation and deferred taxation

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

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

i Cash flow statement

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

POLICIES AND RISKS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

j Cash and cash equivalents

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

k Provision for bad debts

The Funds will provide for the potential non-recovery of revenue receivable from tenants' in relation to direct property holdings by way of a bad debts provision. Provisions are made for tenant arrears based on recommendations made by the Managing Agents for specific tenant circumstances. Arrears are written off at the discretion of the Manager.

DISTRIBUTION POLICIES

a Distribution policy

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

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

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

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

b Treatment of management expenses

All expenses, with the exception of fund set-up costs, the purchase and sale of investments and stamp duty reserve tax, are charged against revenue. For the purposes of the distribution, the

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

c Treatment of development and acquisition expenses

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

RISK MANAGEMENT POLICIES

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

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

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

a Foreign currency risk

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

b Interest rate risk

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

c Market risk

There is a risk that a property might be sold for a different value to the Independent Valuer's valuation, due to market conditions being different to the valuer's assumptions. The ACD ensures that the valuer is independent, holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

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

d Liquidity risk

This is the risk that there is insufficient liquidity which restricts a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited. In line with standard industry practice for valuing property funds, the Funds can switch between a bid price basis and an offer price basis. Where Funds are invested in property, investors may not be able to switch or cash in their investment when they want because property in the Fund may not always be readily saleable. If this is the case the Manager may suspend dealing in the Fund. As noted on page 3, dealing in both the Asia Pacific Property Fund and the European Property Fund have been suspended due to the largest investors wishing to redeem their holdings.

There are currently no special arrangements in place.

POLICIES AND RISKS (CONTINUED)

RISK MANAGEMENT POLICIES (CONTINUED)

e Concentration risk

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

f Leverage risk

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

g Property default risk

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

AVIVA INVESTORS ASIA PACIFIC PROPERTY FUND

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

INVESTMENT OBJECTIVE

To seek income and long term capital appreciation.

INVESTMENT APPROACH

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

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

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

FUND MANAGER'S REPORT

Total assets under management as at 30 September 2017 were £19.9 million.

The Fund suspended dealing on 21 July 2015, pending ultimate closure of the Fund, following consultation with the FCA and after having met the necessary regulatory approvals. All properties have accordingly now been sold from the Fund.

The Fund is in the process of liquidating the remaining entities which were incorporated to hold the properties in the respective countries, following which a final payment will be made to investors.

The last remaining property holding entity of the Fund is currently in the process of obtaining tax clearance before the entity's liquidation process can begin. In addition to the asset level holding structures there is also the Hold Co structure, which can only be wound up once the entities it holds have been liquidated.

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

CONSOLIDATED MATERIAL PORTFOLIO CHANGES

There were no purchases or sales of property during the year.

FUND MATERIAL PORTFOLIO CHANGES

There were no purchases and two sales during the year.

Sales

Asia Pacific Investment Holdings SARL

Yamashita Profit Participating Loan

COMPARATIVE TABLES

Class A (GBP) Income	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	102.23	67.84	73.29
Return before operating charges [†]	(6.37)	49.05	(1.24)
Operating charges	(2.61)	(2.43)	(1.73)
Return after operating charges [†]	(8.98)	46.62	(2.97)
Distributions	–	(12.23)	(2.48)
Closing net asset value per share	93.25	102.23	67.84
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(8.78)%	68.72%	(4.05)%
Other information			
Closing net asset value (£000)	8,549	19,888	69,618
Closing number of shares	9,167,535	19,453,739	102,624,344
Operating charges (%) [†]	2.77%	3.24%	2.48%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	99.22	98.43	78.61
Lowest share price	83.92	67.45	62.31

Class A (USD) Income	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	94.89	73.77	84.78
Return before operating charges [†]	(3.12)	36.07	(5.77)
Operating charges	(2.38)	(3.53)	(2.67)
Return after operating charges [†]	(5.50)	32.54	(8.44)
Distributions	–	(11.42)	(2.57)
Closing net asset value per share	89.39	94.89	73.77
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(5.80)%	44.11%	(9.96)%
Other information			
Closing net asset value (£000)	10	22	76
Closing number of shares	14,381	30,687	157,596
Operating charges (%) [†]	2.77%	3.24%	2.48%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	91.37	91.25	90.44
Lowest share price	75.29	72.18	69.53

Class I (GBP) Income	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	113.87	74.94	80.75
Return before operating charges [†]	(7.07)	55.87	(1.22)
Operating charges	(2.07)	(3.33)	(1.32)
Return after operating charges [†]	(9.14)	52.54	(2.54)
Distributions	–	(13.61)	(3.27)
Closing net asset value per share	104.73	113.87	74.94
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	–	70.11%	(3.15)%
Other information			
Closing net asset value (£000)	924	2,130	7,393
Closing number of shares	882,327	1,870,236	9,864,942
Operating charges (%) [†]	1.97%	2.44%	1.68%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	110.56	109.61	82.53
Lowest share price	93.63	74.52	68.74

Class A (GBP) Accumulation	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	156.44	94.45	99.22
Return before operating charges [†]	(7.63)	71.01	(1.75)
Operating charges	(4.02)	(5.59)	(2.36)
Return after operating charges [†]	(11.65)	65.42	(4.11)
Distributions	–	(17.13)	(3.29)
Retained distributions on accumulation shares	–	13.70	2.63
Closing net asset value per share	144.79	156.44	94.45
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(7.45)%	65.63%	(4.14)%
Other information			
Closing net asset value (£000)	10,012	22,953	73,105
Closing number of shares	6,914,672	14,671,813	77,397,221
Operating charges (%) [†]	1.97%	3.24%	2.48%
Direct transaction costs (%) [#]	–	–	–
Prices[°]			
Highest share price	149.28	138.51	105.60
Lowest share price	130.30	93.83	85.95

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	583.12	410.84	409.18
Return before operating charges [†]	(41.65)	196.01	19.97
Operating charges	(14.82)	(10.91)	(14.06)
Return after operating charges [†]	(56.47)	185.10	5.91
Distributions	–	(64.10)	(21.26)
Retained distributions on accumulation shares	–	51.28	17.01
Closing net asset value per share	526.65	583.12	410.84
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(9.68)%	45.05%	1.44%
Other information			
Closing net asset value (£000)	63	146	454
Closing number of shares	13,582	29,091	149,787
Operating charges (%) [†]	2.77%	3.24%	2.48%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	568.35	512.46	457.75
Lowest share price	493.10	408.14	383.24

Class A (USD) Accumulation	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	475.21	336.30	376.10
Return before operating charges [†]	(9.18)	157.34	(24.77)
Operating charges	(11.94)	(7.96)	(12.05)
Return after operating charges [†]	(21.12)	149.38	(36.82)
Distributions	–	(52.32)	(14.91)
Retained distributions on accumulation shares	–	41.85	11.93
Closing net asset value per share	454.09	475.21	336.30
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(4.44)%	41.31%	(9.79)%
Other information			
Closing net asset value (£000)	89	206	638
Closing number of shares	26,314	56,153	288,383
Operating charges (%) [†]	2.77%	3.24%	2.48%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	464.15	420.40	398.09
Lowest share price	382.50	329.02	314.04

Class I (GBP) Accumulation	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	180.30	107.98	112.60
Return before operating charges [†]	(8.78)	81.09	(2.11)
Operating charges	(3.30)	(4.83)	(1.82)
Return after operating charges [†]	(12.08)	76.26	(3.93)
Distributions	–	(19.71)	(3.47)
Retained distributions on accumulation shares	–	15.77	2.78
Closing net asset value per share	168.22	180.30	107.98
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	(6.70)%	70.62%	(3.79)%
Other information			
Closing net asset value (£000)	206	470	1,484
Closing number of shares	122,765	260,467	1,373,813
Operating charges (%) [†]	1.97%	2.44%	1.68%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	172.63	159.61	113.64
Lowest share price	150.39	107.26	98.13

‡ 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.

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

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	30.09.17	30.09.16
Class A (GBP)	2.77%	3.24%
Class A (EUR)	2.77%	3.24%
Class A (USD)	2.77%	3.24%
Class I (GBP)	1.97%	2.44%

* 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 Annual Management Charge and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2017

Investment	Currency	Holding	Market Value £000	% of Net Assets
Direct properties 0.00% (0.00%)				
Total direct properties			–	–
Liquidity Funds 0.02% (0.01%)¹				
Aviva Investors Euro Liquidity Fund Class 3, Income shares, GBP [†]	GBP	2,972	3	0.02
Liquidity Funds total			3	0.02
Investment assets ²			3	0.02
Net other assets			19,850	99.98
Net assets			19,853	100.00

The comparative percentage figures in brackets are as at 30 September 2016.

[†] Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

FUND PORTFOLIO STATEMENT

As at 30 September 2017

Investment	Currency	Holding	Market Value £000	% of Net Assets	
Australia 0.00% (7.23%)					
Japan 0.00% (3.58%)					
Luxembourg 8.71% (1.07%)					
Asia Pacific Investment Holdings SARL	§	GBP	7	1,730	8.71
Luxembourg total			1,730	8.71	
New Zealand 11.15% (2.80%)					
Shore Profit Participating Loan	§	NZD	24,787,922	2,213	11.15
New Zealand total			2,213	11.15	
Singapore 63.70% (63.01%)					
Asia Pacific Investment Holdings Pte Ltd	§	GBP	59,795	12,647	63.70
Singapore total			12,647	63.70	
Liquidity Funds 0.02% (0.01%)¹					
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]		GBP	2,972	3	0.02
Ireland total			3	0.02	
Investment assets ²			16,594		83.58
Net other assets			3,259		16.42
Net assets			19,853		100.00

The comparative percentage figures in brackets are as at 30 September 2016.

§ All holdings are unquoted securities.

† Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2017

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Income					
Net capital gains	2	110	36,810	110	36,810
Revenue	3	(573)	8,681	(2,754)	4,456
Expenses	4	(1,929)	(5,532)	(659)	(1,876)
Net (expense)/revenue before taxation		(2,502)	3,149	(3,413)	2,580
Taxation	5	(750)	1,283	161	1,852
Net (expense)/revenue after taxation		(3,252)	4,432	(3,252)	4,432
Total return before distributions		(3,142)	41,242	(3,142)	41,242
Distributions	6	–	(6,108)	–	(6,108)
Change in net assets attributable to shareholders from investment activities		(3,142)	35,134	(3,142)	35,134

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2017

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Opening net assets attributable to shareholders	45,815	152,768	45,815	152,768
Movements due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares	(22,820)	(144,512)	(22,820)	(144,512)
	(22,820)	(144,512)	(22,820)	(144,512)
Change in net assets attributable to shareholders from investment activities (see above)	(3,142)	35,134	(3,142)	35,134
Retained distribution on accumulation shares	–	2,425	–	2,425
Closing net assets attributable to shareholders	19,853	45,815	19,853	45,815

BALANCE SHEET

As at 30 September 2017

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Assets:					
Investments		–	–	16,591	35,597
Current assets:					
Debtors	8	25	5,816	2,035	8,387
Cash and bank balances	9	21,904	45,295	1,968	5,357
Cash equivalents	10	3	3	3	3
Total other assets		21,932	51,114	4,006	13,747
Total assets		21,932	51,114	20,597	49,344
Liabilities:					
Creditors:					
Distribution payable		(258)	(3,140)	(258)	(3,140)
Other creditors	11	(1,821)	(2,159)	(486)	(389)
Total liabilities		(2,079)	(5,299)	(744)	(3,529)
Net assets attributable to shareholders		19,853	45,815	19,853	45,815

CASH FLOW STATEMENT

For the year ended 30 September 2017

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Net cash inflow/(outflow) from operating activities	14	2,753	(819)	3,279	7,956
Servicing of finance					
Distributions paid		(1,925)	(1,260)	(1,925)	(1,260)
		(1,925)	(1,260)	(1,925)	(1,260)
Taxation					
Taxation paid		(1,789)	(2,291)	(956)	570
		(1,789)	(2,291)	(956)	570
Financial investments					
Purchases of investments		–	(46)	–	(1,473)
Sales of investments		1,124	175,613	20,358	148,884
Fees paid from capital		(581)	(1,832)	(581)	(1,832)
		543	173,735	19,777	145,579
Financing					
Amounts paid on cancellation of shares		(22,820)	(144,511)	(22,820)	(144,511)
Exchange rate movement		(153)	6,964	(744)	(4,226)
		(22,973)	(137,547)	(23,564)	(148,737)
(Decrease)/increase in cash in the year	13	(23,391)	31,818	(3,389)	4,108
Net cash at the start of the year	13	45,298	13,480	5,360	1,252
Net cash at the end of the year	13	21,907	45,298	1,971	5,360

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital gains

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
The net capital gains on investments during the year comprise:				
Currency losses on other capital items	(223)	(2,729)	(223)	–
Direct property gains	–	39,539	–	–
Non-derivative securities gains	–	–	363	36,711
Notional dealing costs (suffered)/written back	(30)	–	(30)	99
Change in Fair Value - Investment asset	363	–	–	–
Net capital gains*	110	36,810	110	36,810

* Total realised gains for the year were £13,528,000 (2016: losses £3,763,000) and the movement in unrealised losses was £13,418,000 (2016: gains £40,573,000). Included in realised gains/(losses) for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Bank and deposit interest	225	146	5	59
Interest on debt securities	–	–	(2,759)	4,397
Other income	(170)	–	–	–
Rental revenue	(628)	8,535	–	–
Total revenue	(573)	8,681	(2,754)	4,456

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Payable to the Authorised Corporate Director, associates of the ACD or agents of either of them:				
Authorised Corporate Director's periodic charge	554	1,676	554	1,676
Registration fees	36	108	36	108
	590	1,784	590	1,784
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	14	42	14	42
Interest payable	14	30	5	1
	28	72	19	43
Other expenses				
Administrative expenses	74	275	–	–
Audit fee*	133	144	43	40
Electricity	–	122	–	–
Insurance	–	119	–	–
Legal & Professional fees	80	118	–	1
Maintenance costs	–	158	–	–
Other fees	67	180	–	–
Other property operating expenses	947	2,004	–	–
Printing & postage expenses	2	4	2	4
Property management fees	3	159	–	–
Property taxes	–	352	–	–
Statement fees	5	4	5	4
Water rates	–	37	–	–
	1,311	3,676	50	49
Total expenses	1,929	5,532	659	1,876

* The audit fee was £111,000 (2016: £120,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17	Year ended 30.09.16	Year ended 30.09.17	Year ended 30.09.16
	£000	£000	£000	£000
Overseas tax written back/(suffered)	750	(1,283)	(161)	(1,852)
Total current tax for year (see note 5b)	750	(1,283)	(161)	(1,852)

b Factors affecting current tax charge

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2016: 20%).

The differences are explained below:

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17	Year ended 30.09.16	Year ended 30.09.17	Year ended 30.09.16
	£000	£000	£000	£000
Net revenue before taxation	(2,502)	3,149	(3,413)	2,580
Corporation tax at 20%	(500)	630	(683)	516
Effects of:				
Movement in excess expenses	838	–	727	–
Overseas tax written back/(suffered)	750	(1,283)	(161)	(1,852)
Tax deductible interest distributions	(338)	(630)	(44)	(516)
	1,250	(1,913)	522	(2,368)
Current tax charge for the year (see note 5a)	750	(1,283)	(161)	(1,852)

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 (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:				
Gross interest distribution for the six months ended 31 March	–	1,324	–	1,324
Gross interest distribution for the six months ended 30 September	–	4,784	–	4,784
	–	6,108	–	6,108
Distributions	–	6,108	–	6,108
Reconciliation of distributions for the year to net revenue after taxation				
Distributions for the year	–	6,108	–	6,108
ACD periodic charge borne by the capital account	(554)	(1,676)	(554)	(1,676)
Net expense payable from capital	2,698	–	2,698	–
Net revenue/(expense) after taxation	(3,252)	4,432	(3,252)	4,432

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

7 Fair value hierarchy

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.17 Assets £000	As at 30.09.16 Liabilities £000	As at 30.09.17 Assets £000	As at 30.09.16 Liabilities £000
Level 2: Observable market data	3	3	3	3
Level 3: Unobservable data	–	–	16,591	35,597
Total value	3	3	16,594	35,600

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

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

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

Level 3: Valuation techniques using unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Accrued revenue	–	1,124	2,031	6,952
Amounts due from Aviva Investors International Property Fund*	–	1,435	–	1,435
Other debtors	8	3,236	–	–
Prepaid expenses	13	16	4	–
VAT recoverable	4	5	–	–
Total debtors	25	5,816	2,035	8,387

* Aviva Investors International Property Fund (AIIPF) was terminated on 21 January 2011 and all of its assets transferred to the Company. AIIPF is in the process of being wound up. It is not expected that there will be any surplus monies left to pay out.

9 Cash and bank balances

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Cash and bank balances	21,904	45,295	1,968	5,357

10 Cash equivalents

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	3	3	3	3

11 Other creditors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Accrued expenses	209	443	103	120
Income tax payable	264	171	–	–
Other creditors	109	813	–	–
Purchases awaiting settlement	274	–	274	–
Withholding tax payable	965	732	109	269
Total other creditors	1,821	2,159	486	389

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2016: £nil).

13 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors Asia Pacific Property Fund £000
Cash and cash equivalents:		
As at 30.09.16	45,298	5,360
Cashflows	(23,391)	(3,389)
As at 30.09.17	21,907	1,971

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

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Net expense/revenue before taxation	(2,502)	3,149	(3,413)	2,580
add: Fees paid from capital	581	1,676	581	1,676
add: Amortisation charged on intra-group loan	–	–	(224)	(283)
Increase/(decrease) in debtors (excluding capital items)	5,791	1,594	6,352	(1,737)
(Decrease)/increase in creditors (excluding capital items)	(1,117)	(7,238)	(17)	5,720
Net cash inflow from operating activities	2,753	(819)	3,279	7,956

15 Related party transactions

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

ACD periodic charges and registration fees paid to the ACD are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of management charges was £25,000 (2016: £53,000) and registration fees was £30,000 (2016: £32,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £nil (2016: £3,846,000). The amount outstanding at the year end was £nil (2016: £3,012,000). 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 marked on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2016: £35,903,000) and £nil (2016: £35,900,000) respectively. The income received during the year amounted to £7 (2016: £8,000).

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

	Holdings at 30.09.17 (shares)	Movement (shares)	Holdings at 30.09.16 (shares)
ACD and related parties (share class A (GBP) income)	6,223,760	(6,981,545)	13,205,305
ACD and related parties (share class I (GBP) income)	–	(186,268)	186,268
ACD and related parties (share class A (GBP) accumulation)	6,831,267	(7,663,574)	14,494,841
ACD and related parties (share class A (EUR) accumulation)	192	192	–
ACD and related parties (share class I (GBP) accumulation)	–	(4,839)	4,839

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Shareholder funds

The Fund currently has 2 share classes: Classes A and R (Retail) and Class I (Institutional). The annual management charges are as follows:

Class A: 1.60%

Class I: 0.80%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 10 and 11. The distributions per share class are given in the distribution tables on page 26. All the share classes have the same rights on winding up.

17 Shares in issue reconciliation

	Number of shares in issue at 30.09.16	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.17
Share class A (GBP) income	19,453,739	–	(10,284,220)	(1,984)	9,167,535
Share class A (USD) income	30,687	–	(16,306)	–	14,381
Share class I (GBP) income	1,870,236	–	(989,688)	1,779	882,327
Share class A (GBP) accumulation	14,671,813	–	(7,757,141)	–	6,914,672
Share class A (EUR) accumulation	29,091	–	(15,509)	–	13,582
Share class A (USD) accumulation	56,153	–	(29,839)	–	26,314
Share class I (GBP) accumulation	260,467	–	(137,702)	–	122,765

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 (2016: £nil).

Foreign currency risk

At the year end date, 22.97% (2016: 30.36%) of the net assets of the Company were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Company would change by 2.30%.

At the year end date, 22.97% (2016: 34.57%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Fund would change by 2.30%.

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

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors Asia Pacific Property Fund		
	Non monetary exposure £000 30.09.16	Monetary exposure £000 30.09.16	Total £000 30.09.16	Non monetary exposure £000 30.09.16	Monetary exposure £000 30.09.16	Total £000 30.09.16
Australian Dollar	–	1,913	1,913	3,313	787	4,100
Euro	–	57	57	–	57	57
Japanese Yen	–	6,932	6,932	1,640	4,917	6,557
New Zealand Dollar	–	4,954	4,954	1,286	3,784	5,070
US Dollar	–	54	54	–	54	54

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 110.35% (2016: 98.87%) of the net assets of the Company were interest bearing. At the year end date 18.64% (2016: 23.28%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, the interest rate risk is not considered significant.

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

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

The interest rate profile of the financial assets and liabilities at 30 September 2016 was:

Currency	Consolidated				Aviva Investors Asia Pacific Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	33,646	–	1,519	35,165	1,106	–	32,131	33,237
Australian Dollar	2,000	–	(87)	1,913	4,210	–	159	4,369
Euro	57	–	–	57	57	–	–	57
Japanese Yen	5,134	–	1,798	6,932	4,127	29	2,401	6,557
New Zealand Dollar	4,407	–	547	4,954	1,082	–	3,988	5,070
US Dollar	54	–	–	54	54	–	–	54
Financial Liabilities								
Australian Dollar	–	–	–	–	–	–	(269)	(269)
Sterling	–	–	(3,260)	(3,260)	–	–	(3,260)	(3,260)
Total	45,298	–	517	45,815	10,636	29	35,150	45,815

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

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

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

Market price risk

At the year end date, 0.02% (2016: 0.01%) 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%.

At the year end date, 0.02% (2016: 0.01%) 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%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

30.09.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Bonds	-	-	-	-	0.00%	0.00%
Sales (excluding in-specie transfers and corporate actions)						
Bonds	20,358	-	-	20,358	0.00%	0.00%
	20,358	-	-	20,358		
Total		-	-			
Percentage of fund average net assets		0.00%	0.00%			

30.09.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Bonds	-	-	-	-	0.00%	0.00%
Sales (excluding in-specie transfers and corporate actions)						
Bonds	152,050	(3,166)	-	148,884	2.08%	0.00%
	152,050	(3,166)	-	148,884		
Total		(3,166)	-			
Percentage of Fund average net assets		2.97%	0.00%			

20 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2016: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2017

Income shares		Gross revenue	Equalisation	Final distribution payable 30 November 2017	Final distribution paid 30 November 2016
Class A (GBP)	Group 1	0.0000p	–	0.0000p	8.9299p
Class A (USD)	Group 1	0.0000c	–	0.0000c	8.2442c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	9.9413p

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 30 November 2017	Final distribution paid 30 November 2016
Class A (GBP)	Group 1	0.0000p	–	0.0000p	12.5147p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	46.4479c
Class A (USD)	Group 1	0.0000c	–	0.0000c	37.8307c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	14.4174p

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2017.

Interim distribution paid in pence/cents per share for the six months ended 31 March 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2017	Interim distribution paid 31 May 2016
Class A (GBP)	Group 1	0.0000p	–	0.0000p	0.8576p
Class A (USD)	Group 1	0.0000c	–	0.0000c	0.8890c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	0.9457p

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2017	Interim distribution paid 31 May 2016
Class A (GBP)	Group 1	0.0000p	–	0.0000p	1.1865p
Class A (EUR)	Group 1	0.0000c	–	0.0000c	4.8299c
Class A (USD)	Group 1	0.0000c	–	0.0000c	4.0238c
Class I (GBP)	Group 1	0.0000p	–	0.0000p	1.3538p

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2016.

Up to 5 April 2017, the distributions payable were calculated after the deduction of basic rate income tax. From 6 April 2017, distributions payable are calculated without deducting this tax. The tax treatment of distributions will depend on an investor's individual circumstances.

Equalisation

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

AVIVA INVESTORS EUROPEAN PROPERTY FUND

The Fund closed on 21 August 2015, and will be terminated in due course. The remaining properties held within the Fund are 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.

INVESTMENT OBJECTIVE

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

INVESTMENT APPROACH

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

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

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

FUND MANAGER'S REPORT

Total assets under management as at 30 September 2017 were £69.0 million which includes two properties invested in two countries.

The Fund suspended dealing on 8 December 2015, pending ultimate closure of the Fund, following consultation with the FCA and after having met the necessary regulatory approvals.

As at 30 September 2017, ten of the Fund's twelve holdings have been disposed of, with two assets remaining within the Fund. The Katowice industrial facility in Poland is under offer and in exclusivity with negotiations currently underway to finalise the sales contract. The retail scheme in Sundsvall, Sweden, has received a number of bids, having been placed on the market in mid-August. These are being reviewed with the intention to select a preferred bidder and close a transaction before the end of 2017.

Where assets have been sold the holding structures are being prepared for liquidation, although this is likely to take circa 18 months to complete due to remaining contractual liabilities of the entities, with the liquidations being spread over this period. To date, three of the Fund's holding structures have been closed, with seven holding structures remaining. Two of these structures are linked to the final disposals (in Sweden and Poland) which are being structured as Corporate Sales which will not therefore require the liquidation process. In addition to the asset level holding structures there is also the Luxembourg Hold Co structure, which can only be wound up once the entities it holds have been liquidated.

Real estate market review and outlook

The Eurozone economy expanded by 1.8% year-on-year (0.3% quarter-on-quarter) in the fourth quarter of 2016, thus modestly exceeding expectations. The current above-trend growth is a result of improving business and consumer confidence as well as a supportive monetary policy. Unemployment has fallen from 10.4% at the start of 2016 to 9.5% in February 2017. Headline inflation ticked up to 2% in February but subsequently slowed to 1.5% in March as the impact of higher energy and commodity prices appears to have run its course. While the European Central Bank (ECB) extended its asset buying programme until the end of 2017, it has also signalled that the exit route is being planned. While any further upward surprises in headline inflation levels may put the ECB under pressure to rein in the monetary stimulus sooner, we expect the bank to concentrate on core inflation, which remains subdued (0.9% in February and 0.7% in March), and stick to its schedule.

Loose monetary conditions have continued to boost demand for real estate, with all-sector investment volumes for 10 Eurozone countries tracked by CBRE increasing from €132 billion in 2015 to €133.9 billion in 2016. Investor demand remains robust, driven by favourable relative pricing and improving market fundamentals. However, the premium to government bonds is expected to gradually normalise over the medium term as the monetary stimulus is phased out.

Prime European office markets continue to see steady improvements in occupier demand, which combined with limited development resulted in a fall in the vacancy rate (to 8.2% for EU-15* in the fourth quarter - the lowest level since the first quarter of 2009) and a pick-up in rental growth (to 3.4% year-on-year for EU-15 in the fourth quarter). Investor demand for European office property remained robust, with transactional levels increasing particularly significantly in Denmark, Sweden, Portugal, Belgium and the Netherlands in 2016. Prime average EU-15 (ex UK) office yields hit a fresh record low of 4.12% in the fourth quarter after compressing by 0.1% compared to the third quarter, according to CBRE.

AVIVA INVESTORS EUROPEAN PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Consumer confidence in the Euro area is on a par with the 2007 levels and after a soft patch seen in 2015 and early 2016, gradual improvements have been recorded. Good quality, centrally located prime retail real estate continues to perform strongly as it benefits from structural changes such as urbanisation and e-commerce. EU-15 prime retail rents again outperformed offices and industrials and recorded 6% year-on-year growth in the fourth quarter. Total retail investment volumes for 10 Eurozone countries tracked by CBRE declined by 13% in 2016 meanwhile which we consider to be due to low supply of prime product and limited demand for secondary assets. CBRE's EU-15 (ex UK) prime retail yield compressed by 0.09% in the fourth quarter, to 3.48%.

The Eurozone industry appears to be growing robustly, with industrial production growing in year-on-year terms for the 7th consecutive quarter in February. Markit's Eurozone Manufacturing PMI indicates a robust expansion ahead, with a 56.2 reading in April (a near 6-year high). Improvements in manufacturing, combined with ongoing growth of ecommerce, have resulted in solid occupier demand for prime industrial space. As pockets of new development emerged, average prime industrial rental growth in EU-15 slowed to 2.7% year-on-year in the third quarter and 2.8% in the fourth quarter however (from 4.3% in the second quarter). Meanwhile, investment demand remained healthy as the wide yield spread to retail and offices enticed yield-hungry investors to the asset class. Industrial investment volumes for 10 Eurozone countries tracked by CBRE increased by 12.3% to €10.9 billion in 2016, while prime EU-15 (ex UK) yields compressed by 0.06% to 5.87% in the fourth quarter.

* EU-15 refers to the number of member countries in the European Union prior to the accession of ten candidate countries on 1 May 2004.

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 during the year.

Sales

Edificio Amper, 3, Marconi, Tres Cantos, Madrid, Spain

Avenue de St Mathurin, ZA de Merlemont, 60000 Allonne, France

ZAC de la Crau, 13300 Salon de Provence, France

Prumysolva Zona Nove Pole, Karvina, Czech Republic

Zamdorfer Straße 88, 81677, Munich, Germany

Industrial Zone Kadaň, Královskývřch 1990, Kadaň, Czech Republic

Megaron B, 17-19, Dynamostraße, Germany

Manttaalitie 5-7, 01530 Vantaa, Finland

Königsteiner Straße 9-13/Emmerich-Josef-Straße 21-25, Frankfurt am Main, Germany

City Carrée, 1 Albert-Schweitzer-Straße, Salzgitter, Germany

FUND MATERIAL PORTFOLIO CHANGES

There were no purchases of property and nine sales during the year.

Sales

Salzgitter Financing Perpetual

Vantaa Financing

Hochst Financing Perpetual

European Property Holdings SARL

Megaron B Financing Perpetual

Karvina Financing Perpetual

Kadan Capex Interest Bearing Loan

Hochst Holding Perpetual

Kadan Financing ZCP Perpetual

COMPARATIVE TABLES

Class A (GBP) Income	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	106.71	98.82	106.89
Return before operating charges [†]	2.31	13.54	(2.75)
Operating charges	(3.74)	(3.36)	(2.69)
Return after operating charges [†]	(1.43)	10.18	(5.44)
Distributions	(1.30)	(2.29)	(2.63)
Closing net asset value per share	103.98	106.71	98.82
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after operating charges	(1.34)%	10.30%	(5.09)%
Other information			
Closing net asset value (£000)	645	1,650	1,872
Closing number of shares	620,752	1,545,967	1,894,707
Operating charges (%) [†]	3.54%	3.34%	2.63%
Direct transaction costs (%) [#]	–	–	0.01%
Prices[°]			
Highest share price	110.81	109.44	115.72
Lowest share price	100.17	93.63	94.60

Class A (EUR) Income	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	106.00	114.59	117.52
Return before operating charges [†]	(0.27)	(1.43)	2.44
Operating charges	(3.67)	(4.73)	(2.30)
Return after operating charges [†]	(3.94)	(6.16)	0.14
Distributions	(1.27)	(2.43)	(3.07)
Closing net asset value per share	100.79	106.00	114.59
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after operating charges	(3.72)%	(5.38)%	0.12%
Other information			
Closing net asset value (£000)	19	48	55
Closing number of shares	21,184	52,513	64,677
Operating charges (%) [†]	3.54%	3.34%	2.63%
Direct transaction costs (%) [#]	–	–	0.01%
Prices[°]			
Highest share price	106.99	121.18	124.76
Lowest share price	101.68	103.96	114.73

Class R (GBP) Income	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	106.08	98.23	106.31
Return before operating charges [†]	2.29	13.47	(2.74)
Operating charges	(3.72)	(3.34)	(2.69)
Return after operating charges [†]	(1.43)	10.13	(5.43)
Distributions	(1.29)	(2.28)	(2.65)
Closing net asset value per share	103.36	106.08	98.23
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after operating charges	(1.35)%	10.31%	(5.11)%
Other information			
Closing net asset value (£000)	3,884	9,928	11,338
Closing number of shares	3,758,240	9,359,972	11,541,762
Operating charges (%) [†]	3.54%	3.34%	2.63%
Direct transaction costs (%) [#]	–	–	0.01%
Prices[°]			
Highest share price	110.15	108.78	115.08
Lowest share price	99.57	93.07	94.08

Class I (GBP) Income	2017 p per share	2016 p per share	2015 p per share
Change in net assets per share			
Opening net asset value per share	106.28	98.45	106.50
Return before operating charges [†]	2.30	13.54	(2.74)
Operating charges	(2.94)	(2.60)	(1.92)
Return after operating charges [†]	(0.64)	10.94	(4.66)
Distributions	(2.36)	(3.11)	(3.39)
Closing net asset value per share	103.28	106.28	98.45
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after operating charges	(0.60)%	11.11%	(4.38)%
Other information			
Closing net asset value (£000)	38,641	99,025	112,563
Closing number of shares	37,412,629	93,173,008	114,339,887
Operating charges (%) [†]	2.79%	2.59%	1.88%
Direct transaction costs (%) [#]	–	–	0.01%
Prices[°]			
Highest share price	110.57	109.23	109.92
Lowest share price	100.17	93.38	94.41

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	141.29	150.12	150.79
Return before operating charges [†]	(0.35)	(2.59)	2.30
Operating charges	(4.91)	(6.24)	(2.97)
Return after operating charges [†]	(5.26)	(8.83)	(0.67)
Distributions	(1.70)	(3.16)	(3.96)
Retained distributions on accumulation shares	1.70	3.16	3.96
Closing net asset value per share	136.03	141.29	150.12
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after operating charges	(3.72)%	(5.88)%	(0.44)%
Other information			
Closing net asset value (£000)	3,111	7,816	8,762
Closing number of shares	2,590,352	6,421,550	7,909,109
Operating charges (%) [†]	3.54%	3.34%	2.63%
Direct transaction costs (%) [‡]	–	–	0.01%
Prices[≈]			
Highest share price	142.64	158.44	160.06
Lowest share price	136.27	137.94	148.77

Class A (USD) Accumulation	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	283.70	302.80	341.51
Return before operating charges [†]	15.04	(5.27)	(33.37)
Operating charges	(9.74)	(13.83)	(5.34)
Return after operating charges [†]	5.30	(19.10)	(38.71)
Distributions	(3.44)	(6.45)	(7.81)
Retained distributions on accumulation shares	3.44	6.45	7.81
Closing net asset value per share	289.00	283.70	302.80
[†] after direct transaction costs of	–	–	(0.02)
Performance			
Return after operating charges	1.87%	(6.31)%	(11.33)%
Other information			
Closing net asset value (£000)	59	147	165
Closing number of shares	27,088	67,005	82,650
Operating charges (%) [†]	3.54%	3.34%	2.63%
Direct transaction costs (%) [‡]	–	–	–
Prices[≈]			
Highest share price	297.13	324.21	362.74
Lowest share price	259.37	276.94	287.00

Class I (EUR) Accumulation	2017 c per share	2016 c per share	2015 c per share
Change in net assets per share			
Opening net asset value per share	150.58	159.04	158.77
Return before operating charges [†]	(0.37)	(3.32)	2.51
Operating charges	(4.13)	(5.14)	(2.24)
Return after operating charges [†]	(4.50)	(8.46)	0.27
Distributions	(3.33)	(4.56)	(5.56)
Retained distributions on accumulation shares	3.33	4.56	5.56
Closing net asset value per share	146.08	150.58	159.04
[†] after direct transaction costs of	–	–	(0.01)
Performance			
Return after operating charges	(2.99)%	(5.32)%	0.17%
Other information			
Closing net asset value (£000)	22,586	56,316	63,785
Closing number of shares	17,515,984	43,417,053	54,352,130
Operating charges (%) [†]	2.79%	2.59%	1.88%
Direct transaction costs (%) [‡]	–	–	0.01%
Prices[≈]			
Highest share price	152.23	160.04	161.03
Lowest share price	145.79	146.95	156.86

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

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

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

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

≈ The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year.

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

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	30.09.17	30.09.16
Class A (GBP)	3.54%	3.34%
Class A (EUR)	3.54%	3.34%
Class A (USD)	3.54%	3.34%
Class R (GBP)	3.54%	3.34%
Class I (GBP)	2.79%	2.59%
Class I (EUR)	2.79%	2.59%

* 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 Annual Management Charge and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2017

Investment	Currency	Holding	Market Value £000	% of Net Assets
Direct Properties 33.06%; (82.55%)				
Market value up to £3,500,000 0.00% (1.10%)				
Market value between £3,500,000 and £7,000,000 0.00% (6.18%)				
Market value between £7,000,000 and £10,500,000 0.00% (8.91%)				
Market value between £10,500,000 and £14,000,000 33.03% (12.38%)				
Birsta Syd Retail Warehousing Scheme, Sundsvall, Sweden				
Poland Rockwell Automation, ul. Roździeńska 49, Katowice, Poland				
Total market value between £10,500,000 and £14,000,000			22,795	33.06
Market value between £14,000,000 and £17,500,000 0.00% (18.81%)				
Market value between £17,500,000 and £21,000,000 0.00% (20.93%)				
Market value over £21,000,000 0.00% (14.24%)				
Total direct properties			22,795	33.06
Liquidity funds 4.29% (7.09%)¹				
Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR [†]	EUR	3,386,149	2,959	4.29
Liquidity Funds total			2,959	4.29
Investment assets ²			25,754	37.35
Net other assets			43,191	62.65
Net assets			68,945	100.00

The comparative percentage figures in brackets are as at 30 September 2016.

[†] Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

FUND PORTFOLIO STATEMENT

As at 30 September 2017

Investment		Currency	Holding	Market Value €000	% of Net Assets
Czech Republic 0.00% (7.86%)					
Finland 0.00% (10.03%)					
France 15.47% (5.82%)					
Galileo Financing Perpetual	§	EUR	25,987,897	10,666	15.47
France total				10,666	15.47
Germany 29.71% (38.40%)					
Hochst Equity ZCP	§	EUR	999,400	801	1.16
Hochst Holding Perpetual	§	EUR	4,941,656	4,601	6.67
Megaron B Equity ZCP Perpetual	§	EUR	1,092,750	965	1.40
Megaron B Financing Perpetual	§	EUR	200,000	176	0.26
Megaron B Holding	§	EUR	6,154,340	6,618	9.60
Munich Financing	§	EUR	15,704,042	1,810	2.63
Salzgitter Financing Perpetual	§	EUR	3,752,838	3,313	4.81
Salzgitter Holding 12/06/2020	§	EUR	9,086,543	2,196	3.18
Germany total				20,480	29.71
Luxembourg 13.94% (4.97%)					
European Property Holdings SARL	§	EUR	49,402	9,610	13.94
Luxembourg total				9,610	13.94
Poland 13.83% (5.53%)					
Katowice Equity ZCP Perpetual	§	EUR	531,525	469	0.68
Katowice Financing	§	EUR	6,150,558	5,462	7.92
Katowice Holding ZCP Perpetual	§	EUR	2,297,060	3,604	5.23
Poland total				9,535	13.83
Spain 4.06% (1.70%)					
Tres Cantos Financing ZCP Perpetual	§	EUR	18,204,000	2,801	4.06
Spain total				2,801	4.06
Sweden 16.57% (8.50%)					
Kista Financing Perpetual	§	SEK	133,639	–	–
Sundsvall Financing ZCP Perpetual	§	SEK	185,635,830	11,422	16.57
Sweden total				11,422	16.57
Liquidity Funds 4.29% (7.09%)¹					
Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR [†]		EUR	3,386,149	2,959	4.29
Liquidity Funds total				2,959	4.29
Investment assets ²				67,473	97.87
Net other assets				1,472	2.13
Net assets				68,945	100.00

The comparative percentage figures in brackets are as at 30 September 2016.

§ All holdings are unquoted securities.

† Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2017

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Income					
Net capital (losses)/gains	2	(1,219)	13,695	(1,219)	13,695
Revenue	3	9,595	13,539	1,556	6,730
Expenses	4	(7,672)	(8,243)	(1,459)	(1,778)
Net revenue before taxation		1,923	5,296	97	4,952
Taxation	5	(1,743)	(376)	83	(32)
Net revenue after taxation		180	4,920	180	4,920
Total return before distributions		(1,039)	18,615	(1,039)	18,615
Distributions	6	(2,146)	(4,925)	(2,146)	(4,925)
Change in net assets attributable to shareholders from investment activities		(3,185)	13,690	(3,185)	13,690

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2017

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Opening net assets attributable to shareholders	174,930	198,540	174,930	198,540
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	387	–	387
Amounts payable on cancellation of shares	(103,551)	(39,105)	(103,551)	(39,105)
	(103,551)	(38,718)	(103,551)	(38,718)
Change in net assets attributable to shareholders from investment activities (see above)	(3,185)	13,690	(3,185)	13,690
Retained distribution on accumulation shares	751	1,418	751	1,418
Closing net assets attributable to shareholders	68,945	174,930	68,945	174,930

BALANCE SHEET

As at 30 September 2017

	Notes	Consolidated		Aviva Investors European Property Fund	
		As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Assets:					
Investments		22,795	144,409	64,514	144,857
Current assets:					
Debtors	8	3,506	5,784	291	15,838
Cash and bank balances	9	44,746	19,912	1,816	3,044
Cash equivalents	10	2,959	12,402	2,959	12,402
Total other assets		51,211	38,098	5,066	31,284
Total assets		74,006	182,507	69,580	176,141
Liabilities:					
Provisions for liabilities	11	–	(11)	–	–
Creditors:					
Distribution payable		(478)	(1,015)	(478)	(1,015)
Other creditors	12	(4,583)	(6,551)	(157)	(196)
Total liabilities		(5,061)	(7,577)	(635)	(1,211)
Net assets attributable to shareholders		68,945	174,930	68,945	174,930

CASH FLOW STATEMENT

For the year ended 30 September 2017

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Net cash inflow from operating activities	15	5,595	5,292	15,609	2,033
Servicing of finance					
Distributions paid		(1,619)	(3,364)	(1,619)	(3,364)
		(1,619)	(3,364)	(1,619)	(3,364)
Taxation					
Taxation paid		(3,015)	(1,841)	(228)	(1,355)
		(3,015)	(1,841)	(228)	(1,355)
Financial investments					
Purchases of investments		–	(804)	–	(1,598)
Sales of investments		121,897	12,894	80,547	23,598
Miscellaneous charges		(4)	(7)	(4)	(7)
		121,893	12,083	80,543	21,993
Financing					
Amounts received on issue of shares		–	380	–	380
Amounts paid on cancellation of shares		(103,551)	(39,098)	(103,551)	(39,098)
Exchange rate movement		(3,912)	6,091	(1,425)	4,287
		(107,463)	(32,627)	(104,976)	(34,431)
Increase/(decrease) in cash in the year	14	15,391	(20,457)	(10,671)	(15,124)
Net cash at the start of the year	14	32,314	52,771	15,446	30,570
Net cash at the end of the year	14	47,705	32,314	4,775	15,446

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital (losses)/gains

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
The net capital (losses)/gains on investments during the year comprise:				
Currency gains/(losses) on other capital items	(177)	3,591	(177)	–
Direct property gains/(losses)	(1,826)	9,844	–	–
Expenses relating to the purchase and sale of investments	(1)	(1)	(1)	(1)
Forward currency contracts gains	–	15	–	15
Non-derivative securities gains/(losses)	785	246	(1,041)	13,681
Net capital (losses)/gains*	(1,219)	13,695	(1,219)	13,695

* Total realised gains for the year were £18,063,000 (2016: losses £1,494,000) and the movement in unrealised losses was £19,282,000 (2016: gains £15,189,000). Included in realised gains/(losses) for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Bank and deposit interest	(47)	3	5	4
Interest on debt securities	–	–	1,551	6,649
Other income	22	2	–	–
Overseas dividends	–	77	–	77
Rental revenue	9,620	13,457	–	–
Total revenue	9,595	13,539	1,556	6,730

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:				
Authorised Corporate Director's periodic charge	1,098	1,484	1,098	1,484
Registration fees	132	178	132	178
	1,230	1,662	1,230	1,662
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	53	69	53	69
Interest payable	98	38	34	44
Safe custody fee	1	2	1	2
	152	109	88	115
Other expenses:				
Administrative expenses	681	641	–	–
Audit fee*	287	254	30	41
Electricity	167	309	–	–
Insurance	170	28	–	–
Legal & Professional fees	459	381	70	6
Maintenance costs	756	1,163	–	–
Other expenses	40	(9)	23	(58)
Other fees	1,065	1,743	–	–
Other property operating expenses	1,041	299	–	–
Printing & postage expenses	12	7	12	7
Property management fees	505	941	–	–
Property taxes	1,084	697	–	–
Statement fees	–	–	6	5
Water rates	23	18	–	–
	6,290	6,472	141	1
Total expenses	7,672	8,243	1,459	1,778

* The audit fee was £239,000 (2016: £212,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Overseas tax refund	–	–	(83)	–
Overseas tax suffered	1,754	282	–	32
Total current tax for year (see note 5b)	1,754	282	(83)	32
Deferred tax	(11)	94	–	–
Total deferred tax for year (see note 5c)	(11)	94	–	–
Total tax for the year	1,743	376	(83)	32

b Factors affecting current tax charge

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2016: 20%).

The differences are explained below:

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Net revenue before taxation	1,923	5,296	97	4,952
Corporation tax at 20%	385	1,059	19	990
Effects of:				
Expenses not deductible for tax purposes	14	(1)	14	(1)
Overseas dividends not subject to corporation tax	–	(15)	–	(15)
Overseas tax refund	(83)	–	(83)	–
Overseas tax suffered	1,660	282	–	32
Tax deductible interest distributions	(399)	(1,043)	(33)	(974)
	1,192	(777)	(102)	(958)
Current tax charge for the year (see note 5a)	1,577	282	(83)	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

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
The deferred tax asset is made up as follows:				
Provision at start of year	11	(83)	–	–
Charge for the year (see note 5a)	(11)	94	–	–
Provision at end of year	–	11	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:				
Gross interest distribution for the six months ended 31 March	1,290	3,351	1,290	3,351
Gross interest distribution for the six months ended 30 September	762	1,574	762	1,574
	2,052	4,925	2,052	4,925
Prior year tax adjustment	94	–	94	–
Distributions	2,146	4,925	2,146	4,925
Reconciliation of distributions for the year to net revenue after taxation				
Distributions for the year	2,146	4,925	2,146	4,925
Other expenses borne by the capital account	(4)	–	(4)	–
Net expense payable from capital	(1,962)	(5)	(1,962)	(5)
Prior year tax adjustment	94	–	94	–
Net revenue after taxation	180	4,920	180	4,920

Details of the distributions per share are set out in the distribution tables on pages 46 and 47.

7 Fair value hierarchy

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.17 Assets £000	As at 30.09.16 Assets £000	As at 30.09.17 Assets £000	As at 30.09.16 Assets £000
Level 2: Observable market data	2,959	12,402	2,959	12,402
Level 3: Unobservable data	22,795	144,409	64,514	144,857
Total value	25,754	156,811	67,473	157,259

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

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

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

Level 3: Valuation techniques using unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Accrued revenue	463	720	290	15,647
Amounts due from Aviva Investors International Property Fund*	–	190	–	190
Deferred tax debtor	–	11	–	–
Other debtors	621	927	–	–
Overseas tax recoverable	1	1	1	1
Prepaid expenses	781	1,252	–	–
VAT recoverable	1,640	2,683	–	–
Total debtors	3,506	5,784	291	15,838

* Aviva Investors International Property Fund (AIIPF) was terminated on 21 January 2011 and all of its assets transferred to the Company. AIIPF is in the process of being wound up. It is not expected that there will be any surplus monies left to pay out.

9 Cash and bank balances

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Cash and bank balances	44,746	19,912	1,816	3,044

10 Cash equivalents

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR	2,959	12,402	2,959	12,402

11 Provisions

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Deferred tax provision	–	11	–	–
Total provisions	–	11	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Other creditors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.17 £000	As at 30.09.16 £000	As at 30.09.17 £000	As at 30.09.16 £000
Accrued expenses	926	821	157	196
Deferred income	387	717	–	–
Income tax payable	12	–	–	–
Other creditors	1,216	776	–	–
Overseas tax provision	495	1,288	–	–
Refundable rent deposits	–	69	–	–
Trade creditors	177	217	–	–
VAT payable	1,370	2,663	–	–
Total other creditors	4,583	6,551	157	196

13 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2016: £nil).

14 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors European Property Fund £000
Cash and cash equivalents:		
As at 30.09.16	32,314	15,446
Cashflows	15,391	(10,671)
As at 30.09.17	47,705	4,775

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

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.17 £000	Year ended 30.09.16 £000	Year ended 30.09.17 £000	Year ended 30.09.16 £000
Net revenue before taxation	1,923	5,296	97	4,592
add: Fees paid from capital	4	7	4	7
Decrease/(increase) in debtors (excluding capital items)	2,267	(785)	15,547	(2,861)
Increase/(decrease) in creditors (excluding capital items)	1,401	745	(39)	(65)
Net cash inflow from operating activities	5,595	5,292	15,609	2,033

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Related party transactions

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

ACD periodic charges and registration fees paid to the ACD are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of management charges was £47,000 (2016: £116,000) and registration fees was £6,000 (2016: £14,000). 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 12.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £1,585,000 (2016: £3,432,000). The amount outstanding at the year end was £588,000 (2016: £1,089,000). 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 marked on the portfolio statement. The total purchases and sales on these investments during the year amounted to £nil (2016: £11,393,000) and £9,494,000 (2016: £24,000) respectively. The income received during the year amounted to £nil (2016: £nil).

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

	Holdings at 30.09.17 (shares)	Movement (shares)	Holdings at 30.09.16 (shares)
ACD and related parties (share class A (GBP) income)	–	(1,483,900)	1,483,900
ACD and related parties (share class R (GBP) income)	2,283,533	(3,528,162)	5,811,695
ACD and related parties (share class I (GBP) income)	30,753,747	(60,819,520)	91,569,267
ACD and related parties (share class A (EUR) accumulation)	2,323,034	(3,396,336)	5,719,370
ACD and related parties (share class I (EUR) accumulation)	12,356,064	(18,270,972)	30,627,036

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

17 Shareholder funds

The Fund currently has three share classes: Classes A and R (Retail) and Class I (Institutional). The annual management charges are as follows:

Class A:	1.50%
Class R:	1.50%
Class I:	0.75%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 29 and 30. The distributions per share class are given in the distribution tables on pages 46 and 47. All the share classes have the same rights on winding up.

18 Shares in issue reconciliation

	Number of shares in issue at 30.09.16	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.17
Share class A (GBP) income	1,545,967	–	(925,215)	–	620,752
Share class A (EUR) income	52,513	–	(31,329)	–	21,184
Share class R (GBP) income	9,359,972	–	(5,601,732)	–	3,758,240
Share class I (GBP) income	93,173,008	–	(55,760,379)	–	37,412,629
Share class A (EUR) accumulation	6,421,550	–	(3,831,198)	–	2,590,352
Share class A (USD) accumulation	67,005	–	(39,917)	–	27,088
Share class I (EUR) accumulation	43,417,053	–	(25,901,069)	–	17,515,984

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 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 (2016: £nil).

Foreign currency risk

At the year end date, 99.20% (2016: 100.57%) of the net assets of the Company were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Company would change by 9.92%.

At the year end date, 99.20% (2016: 100.57%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.92%.

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

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000 30.09.16	Monetary exposure £000 30.09.16	Total £000 30.09.16	Non monetary exposure £000 30.09.16	Monetary exposure £000 30.09.16	Total £000 30.09.16
Euro	130,602	28,824	159,426	129,994	28,831	158,825
Swedish Krona	16,557	(69)	16,488	14,863	2,226	17,089
US Dollar	–	11	11	–	11	11

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

At the year end date 69.19% (2016: 18.47%) of the net assets of the Company were interest bearing. At the year end date 100.50% (2016: 91.64%) of the net assets of the Fund were interest bearing. Due to the nature of the assets held, the interest rate risk is not considered significant.

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

Currency	Consolidated				Aviva Investors European Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	1,187	–	–	1,187	1,187	–	–	1,187
Euro	44,503	–	10,525	55,028	45,857	10,704	(1,517)	55,044
Swedish Krona	1,897	–	11,350	13,247	(14)	11,437	1,808	13,231
US Dollar	118	–	–	118	118	–	–	118
Financial Liabilities								
Sterling	–	–	(635)	(635)	–	–	(635)	(635)
Total	47,705	–	21,240	68,945	47,148	22,141	(344)	68,945

The interest rate profile of the Fund's financial assets and liabilities at 30 September 2016 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	216	–	–	216	216	–	–	216
Euro	31,332	–	128,094	159,426	83,557	61,656	13,612	158,825
Swedish Krona	754	–	15,734	16,488	198	14,664	2,227	17,089
US Dollar	11	–	–	11	11	–	–	11
Financial Liabilities								
Sterling	(1,211)	–	–	(1,211)	(1,211)	–	–	(1,211)
Total	31,102	–	143,828	174,930	82,771	76,320	15,839	174,930

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

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

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

Market price risk

At the year end date, 4.29% (2016: 7.09%) 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 0.43%.

At the year end date, 4.29% (2016: 7.09%) 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 0.43%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty is paid by the Company on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread.

30.09.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Bonds	-	-	-	-	0.00%	0.00%
Funds	-	-	-	-	0.00%	0.00%
	-	-	-	-		
Sales (excluding in-specie transfers and corporate actions)						
Bonds	80,547	-	-	80,547	0.00%	0.00%
Funds	9,494	-	-	9,494	0.00%	0.00%
	90,041	-	-	90,041		
Total		-	-			
Percentage of Fund average net assets		0.00%	0.00%			

30.09.16	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Bonds	(1,598)	-	-	(1,598)	0.00%	0.00%
	(1,598)	-	-	(1,598)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	13,067	(8)	-	13,059	0.06%	0.00%
Bonds	10,539	-	-	10,539	0.00%	0.00%
	23,606	(8)	-	23,598		
Total		(8)	-			
Percentage of Fund average net assets		0.00%	0.00%			

21 Post balance sheet events

There are no post balance sheet events which require adjustment at the year end (2016: £nil). The Aviva Investors European Property Fund completed the sale of the Birsta Syd Retail Warehousing Scheme, Sundsvall, Sweden property on 21 December 2017.

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2017

Income shares		Gross revenue	Equalisation	Final distribution payable 30 November 2017	Final distribution paid 30 November 2016
Class A (GBP)	Group 1	0.6708p	–	0.6708p	0.4895p
	Group 2	0.6708p	0.0000p	0.6708p	0.4895p
Class A (EUR)	Group 1	0.6505c	–	0.6505c	0.4868c
	Group 2	0.6505c	0.0000c	0.6505c	0.4868c
Class R (GBP)	Group 1	0.6668p	–	0.6668p	0.4867p
	Group 2	0.6668p	0.0000p	0.6668p	0.4867p
Class I (GBP)	Group 1	1.2004p	–	1.2004p	0.7979p
	Group 2	1.2004p	0.0000p	1.2004p	0.7979p

Accumulation shares		Gross revenue	Equalisation	Final distribution payable 30 November 2017	Final distribution paid 30 November 2016
Class A (EUR)	Group 1	0.8817c	–	0.8817c	0.6314c
	Group 2	0.8817c	0.0000c	0.8817c	0.6314c
Class A (USD)	Group 1	1.8689c	–	1.8689c	1.2682c
	Group 2	1.8689c	0.0000c	1.8689c	1.2682c
Class I (EUR)	Group 1	1.6971c	–	1.6971c	1.1047c
	Group 2	1.6971c	0.0000c	1.6971c	1.1047c

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2017.

Group 2 shares are those shares purchased after 12:00 noon on 31 March 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence/cents per share for the six months ended 31 March 2017

Income shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2017	Interim distribution paid 31 May 2016
Class A (GBP)	Group 1	0.6246p	–	0.6246p	1.3444p
	Group 2	0.6246p	0.0000p	0.6246p	1.3444p
Class A (EUR)	Group 1	0.6238c	–	0.6238c	1.4575c
	Group 2	0.6238c	0.0000c	0.6238c	1.4575c
Class R (GBP)	Group 1	0.6208p	–	0.6208p	1.3380p
	Group 2	0.6208p	0.0000p	0.6208p	1.3380p
Class I (GBP)	Group 1	1.1578p	–	1.1578p	1.6869p
	Group 2	1.1578p	0.0000p	1.1578p	1.6869p

Accumulation shares		Gross revenue	Equalisation	Interim distribution paid 31 May 2017	Interim distribution paid 31 May 2016
Class A (EUR)	Group 1	0.8178c	–	0.8178c	1.8982c
	Group 2	0.8178c	0.0000c	0.8178c	1.8982c
Class A (USD)	Group 1	1.5726c	–	1.5726c	3.8901c
	Group 2	1.5726c	0.0000c	1.5726c	3.8901c
Class I (EUR)	Group 1	1.6285c	–	1.6285c	2.5410c
	Group 2	1.6285c	0.0000c	1.6285c	2.5410c

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 30 September 2016.

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2016.

Up to 5 April 2017, the distributions payable were calculated after the deduction of basic rate income tax. From 6 April 2017, distributions payable are calculated without deducting this tax. The tax treatment of distributions will depend on an investor's individual circumstances.

Equalisation

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

AVIVA INVESTORS UK PROPERTY FUND

INVESTMENT OBJECTIVE

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

INVESTMENT APPROACH

The Fund will primarily invest in:

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

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

RISK PROFILE

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

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

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

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

FUND MANAGER'S REPORT

TOTAL PERFORMANCE

During the period from 18 August 2017 to 30 September 2017, the Fund* produced a total return (after the deduction of charges and non-recoverable expenses) of 1.02 per cent.

During the reporting period the Fund held a negligible amount of Real Estate Securities which had a de minimis effect on overall performance.

FUND PROFILE AND PORTFOLIO REVIEW

The total assets of the Fund as at 30 September 2017 were £1,048.9 million, (£1,061.39 million including accumulated income)³ a decrease from £1,187.26 million as at 31 May 2017⁴.

The asset split was 82.94% in direct property (30 properties), 16.57% in cash and 0.49% in other assets.³

The Fund did not complete on any purchases during the period to 30 September 2017, and has continued to focus on the restructuring of the portfolio. The Fund maintains a focus on holding quality properties in durable locations, where people congregate to live, work, play and learn and has continued to add value through focused asset management continued with the final phases of the redevelopment or refurbishment programmes detailed below.

During the reporting period, we have continued to progress our asset management and key development projects;

Redevelopment – Corn Exchange, Manchester

The Corn Exchange has been remodelled and transformed in to the City's premium dining destination by the Fund. The property location benefits from being in the heart of Manchester's city centre and close to all the major tourist attractions. The centre is award winning and has been awarded 'Catering and Leisure – Gold Winner' by the British Council of Shopping Centres. The construction work has continued on the development of a 114 room hotel in the upper levels of the site, with it being 100% pre-let to operator Roomz and due for completion in the first quarter of 2018.

Redevelopment – Forum St Pauls, London

Forum St. Pauls, an office property in the City of London has been comprehensively refurbished to provide 60,000 sq ft of modern office space. The redevelopment provides a differentiated product for the City, which is a market where we've seen a marked shift in demand, moving away from the more corporate financial services sector which has traditionally dominated this part of London and towards the more progressive technology and creative sectors. The space has been specifically designed to appeal to this new generation of office user where companies are looking for collaborative space, outside areas and contemporary finishes rather than the traditional raised floors and suspended ceilings you'd find in the vast majority of City office buildings. Leasing Forum St. Paul's is a key priority for the Fund, with the building potentially delivering approximately £3.7 million in annual rent once fully income producing.

AVIVA INVESTORS UK PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

The Fund has continued to selectively sell property assets as it focuses on its core portfolio, and during the period under review the Fund has sold a further two properties for a total of approximately £67.7 million. The Fund has deliberately been selling out of weaker assets in non-core locations.

– **Man Truck and Bus UK Ltd, Manchester** – Property comprises two industrial buildings used by the tenant for sales, maintenance and repair of HGV's. The sale provided the Fund with additional liquidity. In addition to this the lot size of the asset was considered to be sub-scale for the Fund.

– **Tesco, Carina Road, Kettering** – The property consists of a large, purpose built food store and petrol station with extensive car parking. The achievable price exceeded the assessed worth valuation with the sale of the asset removing a significantly over-rented asset with a reducing income profile from the Fund.

As at 30 September 2017 the sector split within the direct property portfolio as compared with the Investment Property Databank (IPD) Authorised Property Unit Trust Funds benchmark (a benchmark consisting of authorised property unit trust funds considered similar to that of Aviva Investors UK Property Fund as at 30 September 2017) was offices 42.9% (29.2%), retail 37.5% (40.0%), industrial 13.5% (21.2%) and other 6.1% (9.6%)^{3 5}.

The Fund strategy continues to evolve and reflects a movement away from a purely benchmarking philosophy towards a conviction based approach focused around value investing where market pricing is attractive relative to intrinsic value. We will be looking to invest in locations where people congregate to live, work, play and learn in clusters of high value economic activity and where we see opportunities to unlock or create value that compensates for the risk being taken. Real estate is a local asset class and by focussing on fewer more robust locations that will drive the growth of the knowledge based economy it will allow us to leverage our expertise in those particular centres and give us an opportunity to work with local authorities and other key policy makers.

The main drivers of this are forecast structural trends and technological changes which are changing the requirements in the office, retail and industrial markets and in tenant demands. These changes have already played a key role in the Fund's asset disposal and retention decisions and in line with the wider Aviva Investors Real Estate Initiative the Fund will invest in fewer centres in coming years. We have developed, and continue to garner considerable local market knowledge and expertise through becoming deeply embedded in those locations and expect to drive performance for clients through the clustering of our investments both within these centres and across funds.

The amount of un-let (void) accommodation as at 30 September 2017 stood at 8.75%².

On 18 August 2017 the Aviva Investors Property Trust transitioned from Trust status into a tax-efficient Property Authorised Investment Fund, or PAIF. The PAIF structure was introduced by HMRC in 2008 to enable eligible investors to be paid income gross of tax from their investments in authorised UK property funds. Eligible investors include charities, ISA holders, SIPP holders and other pension investors. The Aviva Investors Property Trust was therefore renamed the Aviva Investors UK Property Fund.

It is important to note that from an investment point of view, the Fund has not changed. It will still be run with the same objective and most processes will remain unchanged. The conversion to a PAIF relates only to the tax treatment of the income distribution from the Fund.

UK real estate market background

Q3 2017 was a robust quarter for real estate investment markets with a combination of yield compression and income growth serving to generate another above-trend quarterly return. According to the IPD Monthly Index (IPDMI), the market delivered a total return of 2.7% on the quarter. This represents the fourth consecutive quarter of robust positive returns following the Brexit-inspired weakness of the third quarter last year. With that weakness now dropping out of the annual comparison, the market delivered a total return of 10.4% on a year-on-year basis. In general, valuations remain very well supported at current levels, especially for prime assets. Transaction activity continued its post-Brexit recovery during the third quarter with Propertydata.com (as at 18 October) recording transactions worth almost £15.1 billion. While this was well off the record levels seen during 2014 and 2015, it represents a 45% increase on the level recorded in the third quarter of 2016 in the wake of the referendum and is 6% ahead of the five-year quarterly average. Overseas investors were again the most prominent group in the third quarter, acting as buyers in nearly 60% of transactions by value, as they increased their exposure to the UK market by almost £4.8 billion. This figure is well in excess of their average net investment of recent years and, in fact, is the biggest net investment figure from this buyer group since these records began in 2000. As has been the case for a number of years, investors from the Middle East and especially the Far East have been especially acquisitive.

UK real estate market prospects

Modest total returns are forecast on UK real estate between 2017 and 2021. For investors concerned primarily with income rather than total returns however, property pricing remains attractive on a relative basis given the spread over bond yields. Pockets of the market, such as Central London offices, remain popular with overseas investors, whilst UK local authorities are still actively investing further up the risk curve. Regional offices still look most attractive on a risk-adjusted basis with pricing in most other sectors not appropriately reflecting the weaker outlook for occupier markets

The excess returns on offer from moving up the risk curve are looking increasingly thin. Prime versus secondary yield spreads have narrowed sharply over the past few years. These spreads are not yet sending warning signals, remaining some way above the lows seen in 2006, but on a risk-adjusted basis, dry, non-trophy prime real estate is perhaps most appropriately priced.

With economic indicators, particularly the state of the UK consumer turning downwards, now is an appropriate time to de-risk, implementing defensive strategies where appropriate; including focusing on income returns, reducing credit risk, minimising voids and selling assets.

The likelihood of a severe correction still appears low, with yield-driven investor demand for real estate set to remain robust in a lower for longer interest rate environment.

* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 30 September 2017 (share class 2 acc)

² Source: Investment Property Databank (IPD) AIPV vacancy analysis as at 30 September 2017

³ Source: Aviva Investors as at 30 September 2017

⁴ Source: Aviva Investors as at 31 May 2017

⁵ Source: Aviva Investors IPD APUT benchmark report September 2016

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†

Land Securities

† Investment managed by a related party.

PROPERTY RELATED SECURITIES PURCHASES

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

† Investment managed by a related party.

DIRECT PROPERTY SALES

Tesco Superstore, Carina Road, Kettering Business Park

MAN Truck & Business Unit, Ashurton Road West, Trafford Park

DIRECT PROPERTY PURCHASES

There were no purchases of property during the year. All properties held by Aviva Investors Property Trust were transferred across to the Aviva Investors UK Property Fund on 18 August 2017.

COMPARATIVE TABLES

	2017		2017
	p per share		p per share
Class 1 Income*		Class 2 Income*	
Change in net assets per share		Change in net assets per share	
Opening net asset value per share	117.12	Opening net asset value per share	108.67
Return before operating charges [†]	1.13	Return before operating charges [†]	0.93
Operating charges	(0.29)	Operating charges	(0.19)
Return after operating charges [†]	0.84	Return after operating charges [†]	0.74
Distributions	(0.23)	Distributions	(0.28)
Closing net asset value per share	117.73	Closing net asset value per share	109.13
† after direct transaction costs of	–	† after direct transaction costs of	–
Performance		Performance	
Return after operating charges	0.72%	Return after operating charges	0.68%
Other information		Other information	
Closing net asset value (£000)	59,862	Closing net asset value (£000)	57,451
Closing number of shares	50,845,075	Closing number of shares	52,645,292
Operating charges (%) [†]	2.13%	Operating charges (%) [†]	1.50%
Direct transaction costs (%) [#]	–	Direct transaction costs (%) [#]	–
Prices[≈]		Prices[≈]	
Highest share price	116.87	Highest share price	108.32
Lowest share price	115.41	Lowest share price	106.98
Class 1 Accumulation*	2017	Class 2 Accumulation*	2017
	p per share		p per share
Change in net assets per share		Change in net assets per share	
Opening net asset value per share	172.41	Opening net asset value per share	122.49
Return before operating charges [†]	2.05	Return before operating charges [†]	1.43
Operating charges	(0.42)	Operating charges	(0.21)
Return after operating charges [†]	1.63	Return after operating charges [†]	1.22
Distributions	(0.35)	Distributions	(0.31)
Retained distributions on accumulation shares	0.35	Retained distributions on accumulation shares	0.31
Closing net asset value per share	174.04	Closing net asset value per share	123.71
† after direct transaction costs of	–	† after direct transaction costs of	–
Performance		Performance	
Return after operating charges	0.95%	Return after operating charges	1.00%
Other information		Other information	
Closing net asset value (£000)	115,455	Closing net asset value (£000)	60,390
Closing number of shares	66,337,309	Closing number of shares	48,814,949
Operating charges (%) [†]	2.13%	Operating charges (%) [†]	1.50%
Direct transaction costs (%) [#]	–	Direct transaction costs (%) [#]	–
Prices[≈]		Prices[≈]	
Highest share price	172.41	Highest share price	122.49
Lowest share price	170.26	Lowest share price	120.98

COMPARATIVE TABLES (CONTINUED)

Class 5 Income*	2017 p per share	Class 6 Accumulation*	2017 p per share
Change in net assets per share		Change in net assets per share	
Opening net asset value per share	113.07	Opening net asset value per share	121.18
Return before operating charges [†]	1.08	Return before operating charges [†]	1.43
Operating charges	(0.19)	Operating charges	(0.25)
Return after operating charges [†]	0.89	Return after operating charges [†]	1.18
Distributions	(0.30)	Distributions	(0.28)
Closing net asset value per share	113.66	Retained distributions on accumulation shares	0.28
† after direct transaction costs of	–	Closing net asset value per share	122.36
		† after direct transaction costs of	–
Performance		Performance	
Return after operating charges	0.79%	Return after operating charges	0.97%
Other information		Other information	
Closing net asset value (£000)	2,750	Closing net asset value (£000)	15,648
Closing number of shares	2,419,534	Closing number of shares	12,788,773
Operating charges (%) [†]	1.43%	Operating charges (%) [†]	1.78%
Direct transaction costs (%) [#]	–	Direct transaction costs (%) [#]	–
Prices[°]		Prices[°]	
Highest share price	112.81	Highest share price	121.18
Lowest share price	111.43	Lowest share price	112.22
<hr/>		<hr/>	
Class 6 Income*	2017 p per share	Class D Income*	2017 p per share
Change in net assets per share		Change in net assets per share	
Opening net asset value per share	108.40	Opening net asset value per share	100.00
Return before operating charges [†]	0.97	Return before operating charges [†]	1.15
Operating charges	(0.22)	Operating charges	(0.09)
Return after operating charges [†]	0.75	Return after operating charges [†]	1.06
Distributions	(0.25)	Distributions	(0.32)
Closing net asset value per share	108.90	Closing net asset value per share	100.74
† after direct transaction costs of	–	† after direct transaction costs of	–
Performance		Performance	
Return after operating charges	0.69%	Return after operating charges	1.06%
Other information		Other information	
Closing net asset value (£000)	17,363	Closing net asset value (£000)	320,404
Closing number of shares	15,944,371	Closing number of shares	318,051,779
Operating charges (%) [†]	1.78%	Operating charges (%) [†]	0.78%
Direct transaction costs (%) [#]	–	Direct transaction costs (%) [#]	–
Prices[°]		Prices[°]	
Highest share price	112.22	Highest share price	100.73
Lowest share price	106.75	Lowest share price	99.84

COMPARATIVE TABLES (CONTINUED)

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

* Share class launched on 18 August 2017.

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

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

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

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

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

Ongoing Charges Figure*

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

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Fund during the period, except for those payments that are explicitly excluded (performance fees).

** 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 period.

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 2017

Investment	Currency	Holding	Market Value £000	% of Net Assets
Property Related Assets 0.00%				
Land Securities Group plc	GBP	178	2	–
Total property related assets			2	–
Direct Properties 84.10%				
Market values up to £52,000,000				
Tesco Superstore, Carina Road, Kettering Business Park	GBP			
35 Argyle Street, Glasgow	GBP			
Development Land, Dyce Drive, Aberdeen	GBP			
Unit 4A Dennis Way, Slyfield Industrial Estate, Guildford	GBP			
90 & 92 Queen Street, Cardiff	GBP			
Sainsbury's, 52-55 Friar St & 12 Greyfriar's Road, Reading	GBP			
Aberdeen Business Park, Aberdeen	GBP			
Orbital 7, Orbital Park, Cannock	GBP			
11 Broadmoor Road, Southmarston Business Park, Swindon	GBP			
Stanstead Road Industrial Estate, Goodward Road, Eastleigh	GBP			
Longus House, 40-48 Eastgate Street, Chester	GBP			
Interpoint, 22 Haymarket Yards, Edinburgh	GBP			
Castle Bromwich Business Park, Birmingham	GBP			
St James Gate, Office Block 1, Newcastle	GBP			
Boyatt Wood Industrial Estate, Goodward Road, Eastleigh	GBP			
Central Studios, Reading, Berkshire	GBP			
Specialist Vehicles Ltd, Slyfield Industrial Estate, Dennis Way, Guildford	GBP			
Units D & E Knaves Beech, High Wycombe	GBP			
The Pavilion Centre, Brighton	GBP			
123 St Vincent Street, Glasgow	GBP			
Debenhams Store, Queens Buildings, Queens Way, Southampton	GBP			
Units 1-5, Spurriergate & Units 1-3 High Ousegate, York	GBP			
Units A and C Prologis Park, Beddinton Lane, Croydon	GBP			
Broadway Plaza, Fiveways, Birmingham	GBP			
Corn Exchange, Exchange Square, Manchester	GBP			
Total market values up to £52,000,000			429,895	40.99
Adjustments for lease incentives			(3,874)	(0.37)
			426,021	40.62
Market values over £52,000,000				
Colmore Gate, 2-6 Colmore Row, Birmingham	GBP			
Abacus House, 33 Gutter Lane, London, EC2V	GBP			
Lombardy Retail Park, Hayes	GBP			
Guildhall Shopping Centre, Exeter	GBP			
Ealing Cross, 85 Uxbridge Road, London W5	GBP			
20 Soho Square, London, W1	GBP			
Total market values over £52,000,000			443,867	42.32
Adjustments for lease incentives			(8,233)	(0.79)
			443,867	42.32
Total direct properties			881,995	84.10
Adjustments for lease incentives			(12,107)	(1.16)
Total direct properties after adjustments			869,888	82.94
Liquidity Funds 6.80%¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	71,300,000	71,300	6.80
Liquidity funds total			71,300	6.80
Investment assets ²			941,190	89.74
Net other assets			107,643	10.26
Net assets			1,048,833	100.00

† Investment managed by a related party.

¹ Cash equivalents.² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the period from 18 August to 30 September 2017

	Notes		Period ended 30.09.17* £000
Income			
Net capital gains	2		7,360
Revenue	3	5,259	
Expenses	4	(1,515)	
Net revenue before taxation		3,744	
Taxation	5	–	
Net revenue after taxation			3,744
Total return before distributions			11,104
Distributions	6		(3,767)
Change in net assets attributable to shareholders from investment activities			7,337

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period from 18 August to 30 September 2017

		Period ended 30.09.17* £000
Opening net assets attributable to shareholders		–
Amounts transferred from Aviva Investors Property Trust		1,091,988
Movement due to issue and cancellation of shares:		
Amounts receivable on issue of shares	830,673	
Amounts payable on cancellation of shares	(53,602,106)	
		(52,771)
Dilution adjustment		531
Change in net assets attributable to shareholders from investment activities (see above)		7,337
Retained distribution on accumulation shares		1,748
Closing net assets attributable to shareholders		1,048,833

* Fund launched on 18 August 2017.

BALANCE SHEET

As at 30 September 2017

	Notes	As at 30.09.17 £000
Assets:		
Investments		869,890
Current assets:		
Debtors	8	30,589
Cash and bank balances	9	102,494
Cash equivalents	10	71,300
Total assets		1,074,273
Liabilities:		
Creditors:		
Distribution payable		(1,343)
Other creditors	11	(24,097)
Total liabilities		(25,440)
Net assets attributable to shareholders		1,048,833

CASH FLOW STATEMENT

For the period ended 30 September 2017

	Note	£000	Period ended 30.09.17* £000
Net cash outflow from operating activities	18		(18,004)
Servicing of finance			
Distributions paid			(1,343)
Financial investments			
Sales of investments		67,650	
Capital expenditure		(5,604)	
			62,046
Financing			
Cash and Cash equivalent transferred from Aviva Investors Property Trust		161,178	
Conversion adjustment		18,255	
Amounts received on issue of shares		812	
Amounts paid on cancellation of shares		(49,150)	
			131,095
Increase in cash in the period			173,794
Net cash and cash equivalents at the start of the period			–
Net cash and cash equivalents at the end of the period			173,794

* Fund launched on 18 August 2017.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

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

2 Net capital gains

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

** Total realised gains for the period were £9,934,000 and unrealised losses were £2,571,000.

3 Revenue

	Period ended 30.09.17* £000
Bank and deposit interest	2
Interest on debt securities	27
Property rental income	5,230
Total revenue	5,259

* Fund launched on 18 August 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Period ended 30.09.17* £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:	
ACD's periodic charge	389
Registration fees	39
	428
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary's fees	9
Safe custody fee	16
	25
Other expenses:	
Audit fee**	45
Head rent	71
Insurance	(263)
Lease incentives	25
Maintenance costs	57
Marketing costs	16
Non-recoverable expenses	84
Printing & postage expenses	12
Professional fees	344
Statement fees	66
Valuer's fees	115
Void rates	229
Void service charge costs	261
	1,062
Total expenses	1,515

* Fund launched on 18 August 2017.

** The audit fee was £37,000 net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Period ended 30.09.17* £000
Corporation tax	–
Total current tax for period (see note 5b)	–

b Factors affecting current tax charge

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

The differences are explained below:

	Period ended 30.09.17* £000
Net revenue before taxation	3,744
Corporation tax at 20%	749
Effects of:	
Equalisation on the Property stream not subject to corporation tax	(12)
Interest revenue distributed gross	(6)
Income tax withheld on distributions	(631)
Shadow capital allowance not subject to corporation tax	(100)
	(749)
Current tax charge for the period (see note 5a)	–

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 period end.

6 Distributions

	Period ended 30.09.17* £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:	
Final distribution	3,722
	3,722
Add: Revenue deducted on cancellation of shares	45
Distributions	3,767
Reconciliation of distributions for the period to net revenue after taxation	
Distributions for the period	3,767
Equalisation on conversions	(23)
Net revenue after taxation	3,744

Details of the distributions per share are set out in the distribution tables on pages 64 and 65.

* Fund launched on 18 August 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fair value hierarchy

Valuation technique	As at 30.09.17 Assets £000
Level 1: Quoted prices	71,302
Total value	71,302

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

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

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

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 30.09.17 £000
Accrued revenue	18
Current property capital debtor	917
Lease incentive	1,596
Managing agent or other property debtor	15,282
Rent free debtor	10,511
VAT net receivable account	2,265
Total debtors	30,589

9 Cash and bank balances

	As at 30.09.17 £000
Cash and bank balances	102,494

10 Cash equivalents

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

11 Other creditors

	As at 30.09.17 £000
Accrued expenses	581
Amounts payable for cancellation of shares	15,379
Income tax withheld on distributions	631
Current property capital creditor	164
Current property revenue creditor	7,342
Total creditors	24,097

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities and commitments

As at the period end, £15 million expenditure was legally committed across numerous properties.

13 Related party transactions

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

ACD periodic charges 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 period end in respect of ACD periodic charges was £389,000. Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 11.

Distributions payable to the ACD and related parties of the ACD during the period amounted to £54,000. The amount outstanding at the period end was £54,000. 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 marked on the portfolio statement. The total purchases and sales on these investments during the period amounted to £57,100,000 and £133,100,000 respectively. The income received during the period amounted to £27,000.

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

	Holdings at 30.09.17 (shares)
ACD and related parties (Class 1 Income shares)	8,549,911
ACD and related parties (Class 1 Accumulation shares)	8,624,551
ACD and related parties (Class 2 Accumulation shares)	1,504,396

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

14 Shareholder funds

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

Class 1:	1.25%
Class 2:	0.62%
Class 5:	0.55%
Class 6:	0.90%
Class D:	nil%

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 51 to 53. The distributions per share class are given in the distribution tables on pages 64 and 65. All the share classes have the same rights on winding up.

15 Shares in issue reconciliation

	Number of shares issued on 18.08.17	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.17
Class 1 Income	160,269,246	(108,339,730)	(1,084,441)	50,845,075
Class 1 Accumulation	159,897,455	(105,758,791)	12,198,645	66,337,309
Class 2 Income	237,673,340	(184,728,048)	(300,000)	52,645,292
Class 2 Accumulation	271,802,735	(224,315,656)	1,327,870	48,814,949
Class 5 Income	3,592,252	(1,172,718)	–	2,419,534
Class 6 Income	17,882,239	(1,937,868)	–	15,944,371
Class 6 Accumulation	13,169,021	(380,248)	–	12,788,773
Class D Income	325,863,984	(8,503,439)	691,234	318,051,779
Class D Accumulation	430,079,419	(13,030,091)	(21,745,649)	395,303,679

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Derivatives and other financial instruments

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

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values.

Foreign 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 period end date 16.57% of the net assets of the Fund were interest bearing. Due to the nature of the assets held, the interest rate risk is not considered significant.

Currency	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets				
Sterling	173,794	–	901,373	1,075,167
Financial Liabilities				
Sterling	–	–	(26,334)	(26,334)
Total	173,794	–	875,039	1,048,833

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

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

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

Market price risk

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

17 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current period ended 30 September 2017. The total purchases for the period amounted to £62,033,000 and the total sales amounted to £199,904,000.

Dealing spread

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

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

	Period ended 30.09.17* £000
Net revenue before taxation	3,744
Increase in debtors	(30,566)
Increase in creditors	8,818
Net cash outflow from operating activities	(18,004)

* Fund launched on 18 August 2017.

19 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the period end.

DISTRIBUTION TABLES

Final distribution payable in pence per share for the period from 18 August to 30 September 2017

Income shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2017	
Class 1	Property distribution	Group 1	0.2128	0.0426	0.1702	–	0.1702	
		Group 2	0.0665	0.0133	0.0532	0.1170	0.1702	
	Interest distribution	Group 1			0.0032	–	0.0032	
		Group 2			0.0032	0.0000	0.0032	
	Dividend distribution	Group 1			0.0563	–	0.0563	
		Group 2			0.0563	0.0000	0.0563	
	Class 2	Property distribution	Group 1	0.2780	0.0556	0.2224	–	0.2224
			Group 2	0.1064	0.0213	0.0851	0.1373	0.2224
Interest distribution		Group 1			0.0029	–	0.0029	
		Group 2			0.0029	0.0000	0.0029	
Dividend distribution		Group 1			0.0522	–	0.0522	
		Group 2			0.0522	0.0000	0.0522	
Class 5		Property distribution	Group 1	0.3055	0.0611	0.2444	–	0.2444
			Group 2	0.3055	0.0611	0.2444	0.0000	0.2444
	Interest distribution	Group 1			0.0031	–	0.0031	
		Group 2			0.0031	0.0000	0.0031	
	Dividend distribution	Group 1			0.0544	–	0.0544	
		Group 2			0.0544	0.0000	0.0544	
	Class 6	Property distribution	Group 1	0.2403	0.0481	0.1922	–	0.1922
			Group 2	0.0437	0.0087	0.0350	0.1573	0.1923
Interest distribution		Group 1			0.0029	–	0.0029	
		Group 2			0.0029	0.0000	0.0029	
Dividend distribution		Group 1			0.0521	–	0.0521	
		Group 2			0.0521	0.0000	0.0521	
Class D		Property distribution	Group 1	0.3425	0.0685	0.2740	–	0.2740
			Group 2	0.3425	0.0685	0.2740	0.0000	0.2740
	Interest distribution	Group 1			0.0027	–	0.0027	
		Group 2			0.0027	0.0000	0.0027	
	Dividend distribution	Group 1			0.0482	–	0.0482	
		Group 2			0.0482	0.0000	0.0482	

DISTRIBUTION TABLES (CONTINUED)

Accumulation shares			Gross revenue	Income tax	Net revenue	Equalisation	Final distribution payable 30 November 2017
Class 1	Property distribution	Group 1	0.3280	0.0656	0.2624	–	0.2624
		Group 2	0.0854	0.0171	0.0683	0.1941	0.2624
	Interest distribution	Group 1			0.0047	–	0.0047
		Group 2			0.0047	0.0000	0.0047
	Dividend distribution	Group 1			0.0832	–	0.0832
		Group 2			0.0832	0.0000	0.0832
Class 2	Property distribution	Group 1	0.3119	0.0624	0.2495	–	0.2495
		Group 2	0.1861	0.0372	0.1489	0.1006	0.2495
	Interest distribution	Group 1			0.0033	–	0.0033
		Group 2			0.0033	0.0000	0.0033
	Dividend distribution	Group 1			0.0592	–	0.0592
		Group 2			0.0592	0.0000	0.0592
Class 6	Property distribution	Group 1	0.2695	0.0539	0.2156	–	0.2156
		Group 2	0.0844	0.0169	0.0675	0.1481	0.2156
	Interest distribution	Group 1			0.0033	–	0.0033
		Group 2			0.0033	0.0000	0.0033
	Dividend distribution	Group 1			0.0585	–	0.0585
		Group 2			0.0585	0.0000	0.0585
Class D	Property distribution	Group 1	0.3558	0.0712	0.2847	–	0.2847
		Group 2	0.3558	0.0712	0.2847	0.0000	0.2847
	Interest distribution	Group 1			0.0028	–	0.0028
		Group 2			0.0028	0.0000	0.0028
	Dividend distribution	Group 1			0.0483	–	0.0483
		Group 2			0.0483	0.0000	0.0483

Final Distribution

Group 1 shares are those shares purchased at 12:00 noon on 18 August 2017.

Group 2 shares are those shares purchased after 12:00 noon on 18 August 2017.

Equalisation

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

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

In preparing the financial statements the ACD is required to:

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

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

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

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Property Funds ICVC for the year ended 30 September 2017 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

I Buckle
Director

S Ebenston
Director
16 February 2018

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

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

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

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the COLL Sourcebook, as appropriate, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Citibank Europe plc, UK Branch
London
16 February 2018

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 2017 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 2017, the market value of the immovables of Aviva Investors European Property Fund was £22,795,000.

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
16 February 2018

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 2017 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 2017, the market value of the immovables of Aviva Investors UK Property Fund was £881,995,000.

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
16 February 2018

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 September 2017 and of the net revenue/(expenses) and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as the period 1 October 2016 to 30 September 2017 for the sub-funds, Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund, and the period 18 August 2017 to 30 September 2017 for the sub-fund, Aviva Investors UK Property Fund); and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Property Funds ICVC (the "company") is an Open Ended Investment Company ("OEIC") with 3 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. 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 2017; the statements of total return, the statements of change in net assets attributable to shareholders and the statement of cash flows for the respective periods then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

EMPHASIS OF MATTER – BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of accounting for the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund, for which the Authorised Corporate Director has confirmed their intention to terminate within one year of the date of approval of the financial statements. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements for these Funds have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in the Funds' financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

BASIS FOR OPINION

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

Independence

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or the sub-fund's ability to continue as a going concern.

REPORTING ON OTHER INFORMATION

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

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

Authorised Corporate Director's Report

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

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 66, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

OTHER REQUIRED REPORTING

OPINION ON MATTER REQUIRED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

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

COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
16 February 2018

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.

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

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