

AVIVA INVESTORS PROPERTY TRUST

Termination Report and Financial Statements

For the period ended 18 August 2017

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

TRUST INFORMATION

MANAGER

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

Aviva Investors UK Fund Services Limited (the "Manager") 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 Manager is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority.

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

DIRECTORS

I Buckle
J Misselbrook
S Ebenston
D Skinner
J Leadsom
D Clayton

ADMINISTRATOR AND REGISTRAR

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

Changes to Administrator and Registrar name

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

INVESTMENT ADVISER

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

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

TRUSTEE

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

Citibank Europe plc, UK Branch, 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 Trust.

INDEPENDENT PROPERTY VALUER

Knight Frank LLP
55 Baker Street
London, W1U 8AN

RISK INFORMATION

Investors may not be able to switch or cash in their investment when they want to because property in the Trust may not always be readily saleable.

SIGNIFICANT EVENT

PAIF CONVERSION

Following approval at an Extraordinary General Meeting of the Trust on 24 March 2016, the Manager has converted all assets and unitholders of the Trust into a Property Authorised Investment Fund (PAIF), known as the Aviva Investors UK Property Fund, a sub-fund of the Aviva Investors Property Funds ICVC, on 18 August 2017. Further information in relation to the conversion into a PAIF can be found on our website at www.avivainvestors.com.

FUND MANAGER'S REPORT

For the period ended 18 August 2017

On 18 August 2017, the investors and the investments of the Trust were transferred to Aviva Investors UK Property Fund.

INVESTMENT OBJECTIVE

The investment objective of the Aviva Investors Property Trust (the "Trust") is to obtain optimum returns compatible with security via income and capital appreciation primarily through investment in certain kinds of real property, property related securities, government and other public securities and units in collective investment schemes.

INVESTMENT APPROACH

In order to achieve its objective the Trust will primarily invest in:

- approved immovables which will, initially, be properties within the United Kingdom but the Manager may, in due course, consider it appropriate to invest in real property in other countries permitted by the Regulations. The Trust may invest up to 100% of its property in approved immovables but will typically invest no more than 90% of its property in this way;
- transferable securities, with an emphasis on property-related securities. The Trust may hold up to 100% of its property in transferable securities but will typically hold not more than 30% in property company shares;
- government and other public securities to the extent permitted by the Regulations; and
- units in regulated and unregulated collective investment schemes, each to the extent permitted by the Regulations.

The Trust also has maximum flexibility to invest in such other investments which the Manager deems appropriate, including money-market instruments, derivatives and forward transactions, deposits and gold, but subject always to the Regulations.

Full details of the Investment Restrictions can be found in the Prospectus.

It is the Trust's normal investment strategy to hold around 10-15% of its assets in cash or liquid securities (e.g. listed real estate equities), however at times of significant cash inflows or outflows this figure can vary.

RISK PROFILE

The performance of the Trust 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 Trust 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 Trust 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 Trust may not always be readily saleable. If this is the case we may suspend dealing in the Trust.

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.

TOTAL PERFORMANCE

During the period from 1 June 2017 to the 18 August 2017, the Trust produced a total return (after the deduction of charges and non-recoverable expenses) of 2.81%¹.

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

TRUST PROFILE AND PORTFOLIO REVIEW

The total assets of the Trust as at 31 July 2017 (the closest valuation point) were £1,103.16m, (£1,104.96m including accumulated income) a decrease from £1,187.26m as at 31 May 2017³.

The asset split was 86.25% in direct property (34 properties), 12.27% in cash³ and 1.48% in other assets.

FUND MANAGER'S REPORT (CONTINUED)

For the period ended 18 August 2017

TRUST PROFILE AND PORTFOLIO REVIEW (CONTINUED)

The Trust completed no new purchases during the period to 18 August 2017, and has continued to focus on the restructuring of the portfolio. The Trust 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 asset management or in a limited number of cases by investing in assets through redevelopment or refurbishment programmes.

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 into the City's premium dining destination by the Trust. 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. Furthering the development work has also commenced on the development of a 100 room hotel in the upper levels of the site, with it being 100% pre-let and due for completion in Q1 2018.

Redevelopment – Forum St Pauls, London

Forum St. Pauls, an office property in the City of London, continues to be comprehensively refurbished to provide 60,000 sq ft of modern office space. The building has been specifically designed to provide a differentiated product for the City, which has recently been experiencing a marked shift in demand towards the technology, media and telecommunications sectors. The building will offer collaborative space, outside areas and terraces overlooking St. Paul's Cathedral and will be capable of single or multiple occupation. The building is due for completion in Q4 2017 and with an estimated rental value of £3.7m once fully let, it is a priority for the Trust moving into 2018.

The Trust has continued to selectively sell property assets as it focuses on its core portfolio, and during the period under review the Trust has sold a further six properties for a total of approximately £123m. The Fund has deliberately been selling out of weaker assets in less robust locations which had the potential to impact on sales receipts. As well as disposing of assets based in non-core locations, the Trust has also focussed on disposing of properties at the peak of their asset management cycle; or those where lot sizes, in terms of either the value or size of the property, were deemed sub-scale.

– **Premier Percussion House, Blaby Road, Wigston** – This industrial property based in Wigston in suburban Leicester comprises a 94,593 sqft warehouse and ground floor offices. The unit is not fit for current occupiers and is close to being obsolete. The site was sold as the property was considered to be a secondary asset in a non core location for the Trust.

– **City Park, Welwyn Garden City** – City Park is a multi-let industrial estate comprising 9 units. The location was considered to be secondary and not core to the fund and the units were poorly specified for modern occupiers.

– **Alfred's Way, Barking** – This is a Barking based multi-let industrial estate. The lot size was considered small and not in line with the fund strategy. Strong sentiment in the sector also generated a good sales price for the asset.

– **Queens Square, Bristol** – This is an office block in Bristol. Deteriorating occupational markets may have hindered the letting of the vacant space in the building. In addition to this the Bristol location is not in alignment with the Trust's office strategy.

– **Beddington Lane Industrial Estate, Croydon** – This is a Croydon based multi-let industrial estate. The estate carried significant capex risk over the short-term and the units are not of a modern specification. In addition, strong market sentiment generated a good sales price for the asset.

– **Burlington Road Retail Park, New Malden** – Burlington Road Retail Park is a retail warehouse asset in New Malden comprising a 51,000sq ft building split into two units. The property offered little asset management potential over the short-term and the sale delivered premium pricing due to the strong institutional demand.

As at 31 July 2017 (the closest valuation point) 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 other authorised property unit trust funds considered similar to that of Aviva Investors Property Trust as at 30 June 2017) was offices 39.0% (29.9%), retail 42.0% (40.1%), industrial 13.5% (29.9%) and other 5.5% (9.4%)⁴. The data to end of the end of the reporting period is not available, due to the benchmark publication being quarterly.

The investment strategy of the Trust continues to evolve and reflect a movement away from a purely benchmarking philosophy towards a conviction based approach where we will be value investing where market pricing is attractive relative to intrinsic value. The Trust is focused on investing in robust locations where people want to live, work, play and learn in clusters of high value economic activity 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 it will allow the Trust to leverage its expertise in those particular centres and give us an opportunity to work with local authorities and other key stakeholders.

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 Trust's asset disposal and retention decisions and in line with the wider Aviva Investors Real Estate Initiative, the Trust 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 clustering of our investments both within these centres and across funds.

The amount of un-let (void) accommodation as at 31 July 2017 (the closest valuation point) stood at 8.16%².

FUND MANAGER'S REPORT (CONTINUED)

For the period ended 18 August 2017

TRUST PROFILE AND PORTFOLIO REVIEW (CONTINUED)

UK real estate market background

Real estate investment markets remain robust. Prime yields in most segments remained flat over the quarter, although yields in some areas did come under downward pressure, notably industrial estates and leisure parks, according to CBRE. The IPD Monthly Index (IPDMI) also recorded downward pressure on yields for its basket of properties during Q2 with the all-property equivalent yield down by 6 basis points (bps). This helped to generate capital value growth of 1.1% and a total return of 2.5% on the quarter, the third consecutive positive quarter following the shock of last June's EU referendum result. Transaction activity has also steadied in recent quarters with Propertydata recording transactions worth over £14.6bn during Q2 (as at 19 July). This was a 40% increase on the level recorded in Q3 2016 in the wake of the referendum and well ahead of the five-year Q2 average. Overseas investors were again the most active group, acting as buyers in nearly 50% of transactions by value, as they continue to make significant net additions to their UK holdings. Domestic investors, notably institutions and property companies, continued to reduce their exposure to the market, though the pace of net selling by the institutions has eased considerably this year. Even with some buyer groups less active at present, investor demand remains robust and with relatively low levels of investment stock on the market, pricing remains keen.

UK real estate market prospects

The UK economy continues to suffer from the uncertainty surrounding the 'Brexit' negotiations and valuations of real estate assets in many parts of the country have not adjusted to reflect this uncertain macroeconomic backdrop. We expect to see pricing soften over the next 18 months, and are forecasting modest total returns on UK real estate between 2017 and 2021. The marginal returns of moving up the risk curve, to take on leasing risk or invest in development projects, are becoming increasingly squeezed.

The outcome of the Brexit negotiations should become clearer during 2018. Any sign that the trading relationship between the UK and the EU will be materially weakened is likely to impact real estate pricing, especially in London offices, as uninhibited access to the EU single market is critical for the city's financial-services sector.

For now, it makes sense to implement defensive strategies; including focusing on income returns, reducing credit risk and selling assets where appropriate.

For investors focused on income, property pricing currently remains attractive on a relative-value basis; the property yield spread over fixed income still looks considerably more attractive than it has historically. Total return investors face a greater challenge but there are still pockets of opportunity, particularly in markets where the demand/supply balance remains favourable.

Parts of the industrial sector continue to offer healthy returns, but intense investor demand is a concern, and the sector is not immune from the pressures facing the UK consumer; high inflation continues to drag on real wage growth this year. A slowdown in the consumer economy could hamper the growth in online shopping and hit retailer demand for logistics facilities.

October 2017

* Reference to forecast return is Aviva Investors Q2 2017 internal forecasts which may or may not be achieved. The forecasts are based on internal business plan models and are provided for information purposes only. They are property market-level and not fund-level forecasts.

As noted below, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 8 to 11 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Sources:

¹ Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 18 August 2017 and are now showing zero as the Fund has now closed (unit 2 acc)

² Source: Investment Property Databank (IPD) AIPT vacancy analysis as at 31 July 2017

³ Source: Aviva Investors as at 31 May 2017

⁴ Source: Aviva Investors IPD APUT benchmark report June 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.**

FUND MANAGER'S REPORT (CONTINUED)

For the period ended 18 August 2017

MATERIAL PORTFOLIO CHANGES

Property Related Securities Sales

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

† Investment managed by a related party.

Property Related Securities Purchases

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

Land Securities

† Investment managed by a related party.

Direct Property Sales

Alfreds Way Industrial Estate, Alfreds Way, Barking

Beddington Industrial Estate, Beddington Lane, Croydon

Burlington Rd Retail Park, New Malden

Premier Percussion House, Blaby Road, Wigston, Leicester

City Park, Watchmead, Welwyn Garden City

66-72 Queen Square, Bristol

Direct Property Purchases

There were no purchases during the period.

AUTHORISATION RECORD

The Aviva Investors Property Trust is a Non-UCITS Retail Scheme, in accordance with the classifications of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Class 1 income units were first offered on 2 September 1991 at an offer price of 80.84p per unit. Class 1 accumulation units were first offered on 1 November 2003 at an offer price of 129.00p per unit. Classes 2 and 4 (income and accumulation units) were first offered on 10 December 2012 at an offer price of 100.00p. Class 5 income units were first offered on 15 November 2013 at an offer price of 100.00p per unit.

SIGNIFICANT INFORMATION

PAIF CONVERSION

Following approval at an Extraordinary General Meeting of the Trust on 24 March 2016, the Manager has converted all assets and unitholders of the Trust into a Property Authorised Investment Fund (PAIF), known as the Aviva Investors UK Property Fund, a sub-fund of the Aviva Investors Property Funds ICVC, on 18 August 2017. Further information in relation to the conversion into a PAIF can be found on our website at www.avivainvestors.com.

COMPARATIVE TABLES

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 1 Income				
Change in net assets per unit				
Opening net asset value per unit	114.36	120.38	116.47	109.02
Return before operating charges [†]	(113.50)	(1.30)	8.15	12.10
Operating charges	(0.61)	(2.44)	(2.38)	(2.36)
Return after operating charges [†]	(114.11)	(3.74)	5.77	9.74
Distributions	(0.25)	(2.28)	(1.86)	(2.29)
Closing net asset value per unit	–	114.36	120.38	116.47
[†] after direct transaction costs of	–	–	(0.08)	(0.07)
Performance				
Return after charges	–	(3.11)%	4.95%	8.95%
Other information				
Closing net asset value (£000)	–	206,968	277,345	451,661
Closing number of units	–	180,971,619	230,382,687	387,796,434
Operating charges (%) [†]	2.40%	2.10%	2.00%	2.04%
Direct transaction costs (%) [#]	0.00%	0.00%	0.07%	0.06%
Prices[®]				
Highest unit price	117.12	125.63	130.81	129.17
Lowest unit price	114.06	110.93	115.73	112.99

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 1 Accumulation				
Change in net assets per unit				
Opening net asset value per unit	168.34	173.71	165.43	151.84
Return before operating charges [†]	(167.45)	(1.84)	11.67	16.89
Operating charges	(0.89)	(3.53)	(3.39)	(3.30)
Return after operating charges [†]	(168.34)	(5.37)	8.28	13.59
Distributions	(0.37)	(3.31)	(2.70)	(3.20)
Retained distributions on accumulation units	0.37	3.31	2.70	3.20
Closing net asset value per unit	–	168.34	173.71	165.43
[†] after direct transaction costs of	–	–	(0.12)	(0.10)
Performance				
Return after charges	–	(3.09)%	5.01%	8.95%
Other information				
Closing net asset value (£000)	–	312,847	399,227	463,704
Closing number of units	–	185,842,903	229,821,283	280,295,402
Operating charges (%) [†]	2.40%	2.10%	2.00%	2.04%
Direct transaction costs (%) [#]	0.00%	0.00%	0.07%	0.06%
Prices[®]				
Highest unit price	172.41	181.48	187.19	181.65
Lowest unit price	167.64	160.86	164.32	157.39

COMPARATIVE TABLES – CONTINUED

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 2 Income				
Change in net assets per unit				
Opening net asset value per unit	105.99	111.55	107.91	101.03
Return before operating charges [†]	(105.23)	(1.27)	7.48	11.07
Operating charges	(0.41)	(1.58)	(1.51)	(1.52)
Return after operating charges [†]	(105.64)	(2.85)	5.97	9.55
Distributions	(0.35)	(2.71)	(2.33)	(2.67)
Closing net asset value per unit	–	105.99	111.55	107.91
[†] after direct transaction costs of	–	–	(0.08)	(0.06)
Performance				
Return after charges	–	(2.55)%	5.53%	9.45%
Other information				
Closing net asset value (£000)	–	288,856	563,573	599,848
Closing number of units	–	272,533,039	505,239,241	555,872,412
Operating charges (%) [†]	1.77%	1.47%	1.37%	1.41%
Direct transaction costs (%) [‡]	0.00%	0.00%	0.07%	0.06%
Prices[®]				
Highest unit price	108.67	111.18	115.44	114.27
Lowest unit price	105.73	102.83	107.32	104.75

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 2 Accumulation				
Change in net assets per unit				
Opening net asset value per unit	119.47	122.64	116.18	106.10
Return before operating charges [†]	(119.00)	(1.43)	8.10	11.70
Operating charges	(0.47)	(1.74)	(1.64)	(1.62)
Return after operating charges [†]	(119.47)	(3.17)	6.46	10.08
Distributions	(0.40)	(2.97)	(2.53)	(2.82)
Retained distributions on accumulation units	0.40	2.97	2.53	2.82
Closing net asset value per unit	–	119.47	122.64	116.18
[†] after direct transaction costs of	–	–	(0.08)	(0.07)
Performance				
Return after charges	–	(2.58)%	5.56%	9.50%
Other information				
Closing net asset value (£000)	–	355,363	568,002	418,227
Closing number of units	–	297,461,002	463,163,327	359,970,304
Operating charges (%) [†]	1.77%	1.47%	1.37%	1.41%
Direct transaction costs (%) [‡]	0.00%	0.00%	0.07%	0.06%
Prices[®]				
Highest unit price	122.49	122.37	125.54	121.50
Lowest unit price	119.00	113.84	115.50	110.03

COMPARATIVE TABLES – CONTINUED

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 4 Income				
Change in net assets per unit				
Opening net asset value per unit	105.78	111.36	107.74	100.90
Return before operating charges [†]	(105.00)	(1.34)	7.51	11.08
Operating charges	(0.48)	(1.87)	(1.81)	(1.82)
Return after operating charges [†]	(105.48)	(3.21)	5.70	9.26
Distributions	(0.30)	(2.37)	(2.08)	(2.42)
Closing net asset value per unit	–	105.78	111.36	107.74
[†] after direct transaction costs of	–	–	(0.08)	(0.06)
Performance				
Return after charges	–	(2.88)%	5.29%	9.18%
Other information				
Closing net asset value (£000)	–	371	76	108
Closing number of units	–	350,818	68,557	99,945
Operating charges (%) [†]	2.05%	1.75%	1.65%	1.69%
Direct transaction costs (%) [#]	0.00%	0.00%	0.07%	0.06%
Prices[®]				
Highest unit price	108.40	110.44	121.01	119.66
Lowest unit price	105.50	102.57	107.11	104.59

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 4 Accumulation				
Change in net assets per unit				
Opening net asset value per unit	118.26	121.64	115.51	105.73
Return before operating charges [†]	(117.73)	(1.33)	8.08	11.72
Operating charges	(0.53)	(2.05)	(1.95)	(1.94)
Return after operating charges [†]	(118.26)	(3.38)	6.13	9.78
Distributions	(0.33)	(2.61)	(2.14)	(2.55)
Retained distributions on accumulation units	0.33	2.61	2.14	2.55
Closing net asset value per unit	–	118.26	121.64	115.51
[†] after direct transaction costs of	–	–	(0.08)	(0.07)
Performance				
Return after charges	–	(2.78)%	5.31%	9.25%
Other information				
Closing net asset value (£000)	–	453	185	400
Closing number of units	–	382,682	151,787	346,779
Operating charges (%) [†]	2.05%	1.75%	1.65%	1.69%
Direct transaction costs (%) [#]	0.00%	0.00%	0.07%	0.06%
Prices[®]				
Highest unit price	121.18	127.12	130.92	126.83
Lowest unit price	117.78	112.82	114.78	109.61

COMPARATIVE TABLES – CONTINUED

	18.08.17 p per unit	31.05.17 p per unit	31.05.16 p per unit	31.05.15 p per unit
Class 5 Income				
Change in net assets per unit				
Opening net asset value per unit	109.66	115.42	111.65	104.51
Return before operating charges [†]	(109.01)	(1.37)	7.73	11.48
Operating charges	(0.41)	(1.55)	(1.49)	(1.52)
Return after operating charges [†]	(109.42)	(2.92)	6.24	9.96
Distributions	(0.24)	(2.84)	(2.47)	(2.82)
Closing net asset value per unit	-	109.66	115.42	111.65
[†] after direct transaction costs of	-	-	(0.08)	(0.07)
Performance				
Return after charges	-	(2.53)%	5.59%	9.53%
Other information				
Closing net asset value (£000)	-	28,683	41,265	41,471
Closing number of units	-	26,156,444	35,752,355	37,142,689
Operating charges (%) [‡]	1.70%	1.40%	1.30%	1.34%
Direct transaction costs (%) [#]	0.00%	0.00%	0.07%	0.06%
Prices[≈]				
Highest unit price	113.07	115.05	119.45	118.27
Lowest unit price	109.38	106.38	111.05	108.43

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

- (a) Changes to fee rates were made during the year and the Ongoing Charges Figure has been amended to be future proofed for this change.
- (b) The Ongoing Charges Figure has been annualised for a unit class that has not yet been open for a full year.
- (c) The Fund was closed on 18 August 2017, hence the Operating charges (%) for the current period are zero.

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 on a mid market value basis and include revenue whereas the closing net asset value per share is at bid market value and excludes income.

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

Unit	OCF* 18.08.17	OCF* 31.05.17	PER** 18.08.17	PER** 31.05.17
Class 1	-	1.38%	-	0.75%
Class 2	-	0.75%	-	0.75%
Class 4	-	1.03%	-	0.75%
Class 5	-	0.68%	-	0.75%

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Trust over the period. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Trust 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 Trust 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.

STATEMENT OF THE MANAGER'S AND TRUSTEE'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the Manager to prepare financial statements for each annual accounting period, which give a true and fair view of the financial position of the Trust as at the end of the year, and of the net revenue and the net gains or losses on the property of the Trust for the year then ended. In preparing the financial statements, the Manager is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds and the Trust Deed; and
- keep proper accounting records which enable it to demonstrate that the financial statements prepared comply with the above requirements.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, Prospectus and the Regulations.

The Trustee is responsible for safeguarding the property of the Trust, and must take reasonable care to ensure that the Trust is managed by the Manager in compliance with the Regulations, the provision of the Trust Deed and Prospectus.

The Manager and Trustee are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEE'S REPORT TO THE UNITHOLDERS

The Trustee is responsible for safeguarding the property of the Trust and, in fulfilling our obligations under the Collective Investment Schemes Sourcebook of the Financial Conduct Authority, having made due enquiries of the Manager and having carried out checks and monitoring procedures, it is the opinion of Citibank Europe Plc, UK Branch as Trustee of the Trust, to the best of our knowledge and belief, that in all respects the Manager has managed the Trust during the accounting period to 18 August 2017.

- in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Trustee by the Trust Deed, by the Prospectus and by all Regulations being in force under Section 243 of the Financial Services and Markets Act 2000; and
- otherwise in accordance with the provisions of the Prospectus and those Regulations.

Citibank Europe Plc, UK Branch
London
18 December 2017

MANAGER'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Property Trust for the period ended 18 August 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

Aviva Investors UK Fund Services Limited
London
18 December 2017

VALUER'S REPORT TO THE UNITHOLDERS

As at the 18 August 2017 the Aviva Investors Property Trust held no properties and therefore no property valuations were required.

Previous inspections and valuations were carried out by the funds independent property valuer Knight Frank LLP.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AVIVA INVESTORS PROPERTY TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

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

- give a true and fair view of the financial position of the Trust as at 18 August 2017 and of the net revenue and the net capital gains on its scheme property for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Termination Report and Financial Statements (the "Termination Report"), which comprise: the balance sheet as at 18 August 2017; the statement of total return, the statement of change in net assets attributable to unitholders and the cash flow statement for the period then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

EMPHASIS OF MATTER

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 Trust. The Trust has commenced its planned termination process following transfer of assets and liabilities to Aviva Investors UK Property Fund, a sub-fund of the Aviva Investors Property Funds ICVC. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements for the Trust have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments have been required in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination or 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 Trust 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.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Termination Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager ("The Manager") 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.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AVIVA INVESTORS PROPERTY TRUST (CONTINUED)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Manager for the financial statements

As explained more fully in the Statement of the Manager's and Trustee's Responsibilities set out on page 12, the Manager 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 Manager 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 Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to wind up or terminate the Trust, or have 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 Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook 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 and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
18 December 2017

STATEMENT OF TOTAL RETURN

For the period ended 18 August 2017

	Notes	£000	Period ended 18.08.17 £000	£000	Year ended 31.05.17 £000
Income					
Net capital gains/(losses)	4		16,688		(92,835)
Revenue	5	9,084		63,580	
Expenses	6	(5,305)		(25,422)	
Net revenue before taxation		3,779		38,158	
Taxation	7	5,410		(4,351)	
Net revenue after taxation			9,189		33,807
Total return before distributions			25,877		(59,028)
Distributions	8		(3,203)		(32,564)
Change in net assets attributable to unitholders from investment activities			22,674		(91,592)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 18 August 2017

	£000	Period ended 18.08.17 £000	£000	Year ended 31.05.17 £000
Opening net assets attributable to unitholders		1,193,541		1,849,673
Amounts transferred to Aviva PAIF		(1,091,988)		–
Amounts receivable on issue of units	–		4	
Amounts payable on cancellation of units	(127,363)		(587,196)	
		(127,363)		(587,192)
Dilution levy		1,441		6,270
Change in net assets attributable to unitholders from investment activities (see above)		22,674		(91,592)
Retained distribution on accumulation units		1,695		16,380
Unclaimed distribution monies		–		2
Closing net assets attributable to unitholders		–		1,193,541

BALANCE SHEET

As at 18 August 2017

	Notes	As at 18.08.17 £000	As at 31.05.17 £000
Assets:			
Investments		-	1,021,649
Current assets:			
Debtors	10	-	23,915
Cash and bank balances	11	1,283	21,456
Cash equivalents	12	-	158,600
Total assets		1,283	1,225,620
Liabilities:			
Provision for liabilities		-	(5,986)
Creditors:			
Distribution payable		(1,283)	(7,500)
Other creditors	13	-	(18,593)
Total liabilities		(1,283)	(32,079)
Net assets attributable to unitholders		-	1,193,541

CASH FLOW STATEMENT

For the period ended 18 August 2017

	Note	£000	Period ended 18.08.17 £000	£000	Year ended 31.05.17 £000
Net cash inflow from operating activities	20		3,488		22,690
Servicing of finance					
Distributions paid			(7,500)		(15,521)
Taxation					
Taxation paid			(2,740)		(7,665)
Financial investments					
Purchases of investments		–		(405)	
Sales of investments		123,351		606,543	
Capital expenditure		(10,536)		(48,322)	
			112,815		557,816
Financing					
Unclaimed distribution monies		–		2	
Amounts received on issue of units		199		(37)	
Amounts paid on cancellation of units		(123,857)		(584,863)	
			(123,658)		(584,898)
Cash and Cash equivalent transferred to Aviva PAIF			(161,178)		–
Decrease in cash in the period/year			(178,773)		(27,578)
Net cash and cash equivalents at the start of the period/year			180,056		207,634
Net cash and cash equivalents at the end of the period/year			1,283		180,056

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a Basis of accounting

The Trust has commenced its planned termination process following transfer of assets and liabilities to Aviva Investors UK Property Fund, a sub-fund of the Aviva Investors Property Funds ICVC, therefore the financial statements of the Trust have been prepared on a basis other than going concern.

Comparative financial information continues to be prepared under the going concern basis. In applying this basis of preparation, the assets and liabilities of the Trust continue to be stated at their fair values which materially equate to their realisable values. No adjustments were necessary in the Trust's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

b Unit Classes

The Trust has two types of unit class: retail units (classes 1 and 4) and institutional units (classes 2 and 5). Each unit class bears different charges and consequently the level of revenue allocated to each unit class will differ. Each unit class consists of both accumulation and income units, with the exception of class 5 which consists of income units only.

c Recognition of revenue

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. Interest arising on fixed interest stocks is accounted for on an effective yield basis. 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.

d Basis of valuation of investments

Property-related assets

The property-related assets of the Trust have been valued at bid-market value at midday on the last business day of the accounting period.

Direct properties

Direct properties have been valued throughout the accounting period by an independent valuer, who holds a recognised and relevant professional qualification and who has recent experience in the location and category of the investment property being valued. Movements in the open market value are recognised in the Statement of Total Return. An adjustment is made to the open market value of the direct properties to take account of any 'rent free debtor' and 'lease incentives' reported in the balance sheet in connection with up front lease incentives. For the period ended 18 August 2017, the open market value of the properties has been reduced to £nil as no properties are now held (31.05.17: £10,528,000).

e Property purchases and sales

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

f Exchange rates

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

g Taxation and deferred taxation

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 for using the liability method on all timing differences expected to be realised by the Trust, 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 is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Any capital allowances used to reduce the corporation tax liability and any deferred tax calculated in relation to the capital allowances are recorded in capital.

h Cash flow statement

In accordance with the requirements of FRS102 and the SORP 2014, a cash flow statement has been provided.

i Cash and cash equivalents

In accordance with the AIFMD requirements, the Trust has treated some investments as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria: highly liquid investments held in sterling that are readily convertible to a known amount of cash; are subject to an insignificant risk of change in value; and provide a return no greater than the rate of a three month high quality government bond.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 DISTRIBUTION POLICIES

a Distribution policy

During the accounting period ended 18 August 2017 the Trust was at no time more than 60% invested in qualifying investments and so has proposed a dividend distribution. Details of the distribution per unit are set out in the tables on page 27.

b Treatment of management expenses

All expenses, except those relating to the purchase and sale of investments and stamp duty reserve tax are charged against revenue on an accruals basis.

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 investments and are accordingly treated as capital.

3 FINANCIAL INSTRUMENTS

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

a Market Risk

The Trust's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in accordance with the investment objective and policy. Property valuations are a matter of the independent valuer's opinion rather than fact. Adherence to investment guidelines and the investment and borrowing powers set out in the Trust Deed and Collective Investment Schemes Sourcebook Regulations mitigates the risk of excessive exposure to any particular type of security or issuer. The Trust's investments are listed in the portfolio statement.

b Liquidity Risk

The Trust is exposed to cashflow/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. As noted on page 3, it is the Trust's normal investment strategy to hold around 10–15% of its assets in cash or liquid securities (e.g. listed real estate equities), however at times of significant cash inflows or outflows this figure can vary. As at 18 August 2017, the Trust had around 14% of its assets in cash or liquid securities. 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 Trust may not always be readily saleable. If this is the case the Manager may suspend dealing in the Trust. Please see page 2 for details in relation to the suspension of the Trust.

c Interest Rate Risk

Interest rate risk is managed by maintaining a balanced portfolio with due consideration to interest rate risk and redemption profiles. Interest rate risk is also managed by ensuring that cash deposits mature within a relatively short period. The interest rate risk profile of the Trust's financial assets is detailed in the table on page 25.

d Yield Risk

In terms of yields available from investments in direct property if sufficient revenues are not generated to meet the operating expenses from the properties there is a risk that the Trust's revenue can be affected. The yield from the property may be affected by tenant failure or availability of supply in the sector or microlocation. Similarly should expenditure be required which is non-recoverable from the tenant due to default or because a property is void, this will also impact on the yield.

Risk to yields as a result of tenant failure or default is managed by targeting a property portfolio broadly spread across sectors and across the regions of the UK and with a large and diverse tenant profile.

e Foreign Currency Risk

There are no material overseas investments so there is no exposure to foreign exchange risk.

Numerical disclosures in relation to these risks are set out in note 18 of the financial statements. Further information on the investment portfolio is set out in the investment report and the portfolio statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Net capital gains/(losses)

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
The net gains/(losses) on investments during the period/year comprise:		
Direct properties	16,689	92,831
Expenses relating to the purchases and sale of investments	(1)	(5)
Property related securities	–	(185,661)
Net capital gains/(losses)*	16,688	(92,835)

* Total realised losses for the period/year were £141,299,000 (31.05.17: £59,254,000) and the movement in unrealised gains was £157,988,000 (31.05.17: unrealised losses £33,576,000). Included in realised gains for the period/year were unrealised gains/(losses) recognised in previous periods.

5 Revenue

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
Bank and deposit interest	52	440
Property income distributions	–	248
Rental revenue	9,032	62,750
UK dividends	–	85
Income from comensation payment	–	57
Total revenue	9,084	63,580

6 Expenses

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
Payable to the Manager, associates of the Manager or agents of either of them:		
Manager's periodic charge	2,265	12,998
Registration fees	251	1,490
	2,516	14,488
Payable to the Trustee, associates of the Trustee or agents of either of them:		
Trustee's fees	17	91
Safe custody fee	3	15
	20	106
Other expenses:		
Audit fee*	45	44
Bad debts written off	55	606
Head rent	132	746
Insurance	(47)	241
Interest payable	–	5
Lease incentives	188	(489)
Maintenance costs	7	17
Marketing costs	11	137
Non-recoverable expenses	459	(1,498)
Printing and postage expenses	–	20
Professional fees	1,224	2,655
Statement fees	7	61
Valuer's fees	31	175
Void rates	65	4,010
Void service charge costs	592	4,098
	2,769	10,828
Total expenses	5,305	25,422

* The audit fee was £36,554 (31.05.17: £36,554) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Taxation**a Analysis of tax charge**

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
Corporation tax	576	6,265
Adjustments in respect of prior periods	–	(579)
Total current tax (see note 7b)	576	5,686
Deferred tax	(5,986)	(1,335)
Total deferred tax (see note 7c)	(5,986)	(1,335)
Total tax (credit)/charge	(5,410)	4,351

b Factors affecting current tax charge

The tax assessed for the period/year is lower (31.05.17: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Trust (20%) (31.05.17: 20%).

The differences are explained below:

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
Net revenue before taxation	3,779	38,158
Corporation tax at 20%	756	7,632
Effects of:		
Adjustments re capital allowance claimed	(226)	(1,246)
Expenses not deductible for tax purposes	46	(104)
UK dividends not subject to corporation tax	–	(17)
Prior year adjustment re capital allowances claimed	–	(579)
	(180)	(1,946)
Current tax charge (see note 7a)	576	5,686

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

c Deferred tax

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
The deferred tax provision is made up as follows:		
Capital allowances	–	5,986
Provision at start of the period/year	5,986	7,321
Credit for the period	(5,986)	(1,335)
Provision at end of the period/year	–	5,986

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Distributions

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
Interim distribution	–	13,758
Final distribution	2,978	16,705
	2,978	30,463
Add: Revenue deducted on cancellation of units	225	2,101
Distributions	3,203	32,564
Reconciliation of net distribution for the period/year to net revenue after taxation		
Distributions for the period/year	3,203	32,564
Capital allowances in current period/year	–	1,246
Equalisation on conversions	–	(3)
Net revenue after taxation	3,203	33,807

Details of the distribution per unit are set out in the distribution tables on page 27.

9 Fair value hierarchy

	As at 18.08.17 Assets £000	As at 31.05.17 Assets £000
Level 1: Quoted prices	–	158,602
Total value	–	158,602

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.

10 Debtors

	As at 18.08.17 £000	As at 31.05.17 £000
Accrued revenue	–	26
Current property capital debtor	–	766
Lease incentive	–	1,809
Managing agent or other property debtor	–	10,239
Rent free debtor	–	8,719
VAT net receivable account	–	2,356
Total debtors	–	23,915

11 Cash and bank balances

	As at 18.08.17 £000	As at 31.05.17 £000
Cash and bank balances	1,283	21,456

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Cash equivalents

	As at 18.08.17 £000	As at 31.05.17 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	–	158,600
Total cash equivalents	–	158,600

13 Other Creditors

	As at 18.08.17 £000	As at 31.05.17 £000
Accrued expenses	–	1,287
Amounts payable for cancellation of units	–	8,932
Corporation tax payable	–	2,740
Current property capital creditor	–	129
Current property revenue creditor	–	5,505
Total creditors	–	18,593

14 Contingent liabilities and commitments

As at the period/year end, £15m expenditure was legally committed across numerous properties (31.05.17: £22m). These properties and therefore the committed expenditure have been transferred over to the new PAIF as part of the conversion.

15 Related party transactions

Management charges and registration fees paid to the Manager are shown in note 6 and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders. The balance due to the Manager at the period end in respect of management charges and registration fees were £nil (31.05.17: £1,007,000) and £nil (31.05.17: £112,000) respectively. Any balance due from the Manager in respect of issue of units is shown in note 10. Any balance due to the Manager in respect of cancellations is shown in note 13.

Trustee fees, safe custody fees and overdraft interest paid to Citibank Europe Plc, UK Branch ("the Trustee") are shown in note 6. The balance due to the Trustee at the period/year end in respect of these transactions was £nil (31.05.17: £11,000).

As at 18 August 2017 the Manager and related parties of the Manager held nil% (31.05.17: 14.01%) of the units in the Trust and the amount of income receivable from the Trust in the period/year was £nil (31.05.17: £4,062,053). The amount due to the Manager and related parties of the Manager at the period/year end was £nil (31.05.17: £2,339,171).

Related parties of the Manager are deemed to be all companies under the control of Aviva Plc. This will include companies which hold units in the Trust on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the period/year amounted to £135,100,000 (31.05.17: £652,200,000) and £138,700,000 (31.05.17: £670,100,000) respectively. The income received during the period/year amounted to £52,000 (31.05.17: £383,000).

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

	Holdings at 18.08.17 (units)	Movement (units)	Holdings at 31.05.17 (units)
The Manager and related parties	–	(134,971,515)	134,971,515

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

16 Unitholder Funds

The Trust currently has four unit classes: Classes 1 and 4 (Retail) and Classes 2 and 5 (Institutional). The annual management charges are as follows:

Class 1:	1.25%
Class 2:	0.62%
Class 4:	0.90%
Class 5:	0.55%

The net asset value of the unit class, the net asset value per unit, and the number of units in the class are shown on pages 8 to 11. The distribution per unit is given in the distribution tables on page 27. All the unit classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Units in issue reconciliation

	Number of units in issue at 31.05.17	Number of units issued	Number of units cancelled	Number of units converted	Number of units transferred to Aviva PAIF	Number of units in issue at 18.08.17
Class 1 Income	180,971,619	–	(4,104,186)	(402,022)	(176,465,411)	–
Class 1 Accumulation	185,842,903	–	(16,909,748)	(127,769)	(168,805,386)	–
Class 2 Income	272,533,039	–	(35,791,509)	931,810	(237,673,340)	–
Class 2 Accumulation	297,461,002	–	(25,969,788)	(158,229)	(271,332,985)	–
Class 4 Income	350,818	–	–	–	(350,818)	–
Class 4 Accumulation	382,682	–	–	–	(382,682)	–
Class 5 Income	26,156,444	–	(22,452,076)	(112,116)	(3,592,252)	–

18 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 20.

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 (31.05.17: nil).

Foreign currency risk

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

Interest rate risk profile of financial assets and financial liabilities

The Trust does not invest in either fixed rate or floating rate securities and interest rate risk is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates. The interest rate risk is not considered significant.

The interest rate profile of the Trust's financial assets and liabilities at 18 August 2017 was:

Currency 18.08.17	Financial assets/ (liabilities) floating rate £000	Financial assets/ (liabilities) fixed rate £000	Financial assets/ (liabilities) not carrying interest £000	Investment property £000	Total £000
Sterling	1,283	–	(1,283)	–	–

Currency 31.05.17	Financial assets/ (liabilities) floating rate £000	Financial assets/ (liabilities) fixed rate £000	Financial assets/ (liabilities) not carrying interest £000	Investment property £000	Total £000
Sterling	180,056	–	(8,162)	1,021,647	1,193,541

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 Trustee's base rate.

The floating rate on deposits is linked to LIBOR.

Market price risk

At the period/year end date, nil% (31.05.17: 98.89%) of the net assets of the Trust were invested in ordinary shares or stock units and admitted to an official stock exchange. If the market were to change by 10%, the value of the Trust will change by nil% (31.05.17: 9.89%).

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.

18.08.17	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)						
Equities	(9,933)	–	–	(9,933)	0.00%	0.00%
Bonds	(127,400)	–	–	(127,400)	0.00%	0.00%
	(137,333)	–	–	(137,333)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	123,796	–	–	123,796	0.00%	0.00%
Bonds	139,700	–	–	139,700	0.00%	0.00%
	263,496	–	–	263,496		
Total		–	–			
Percentage of fund average net assets		0.00%	0.00%			

31.05.17	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)						
Equities	(46,970)	–	–	(46,970)	0.00%	0.00%
Bonds	(652,200)	–	–	(652,200)	0.00%	0.00%
	(699,170)	–	–	(699,170)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	608,876	(55)	–	608,821	0.01%	0.00%
Bonds	667,400	–	–	667,400	0.00%	0.00%
	1,276,276	(55)	–	1,276,221		
Total		(55)	–			
Percentage of fund average net assets		0.00%	0.00%			

Dealing spread

As at 18 August 2017, the average portfolio dealing spread on Property Related Assets was nil% (31.05.17: nil%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

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

	Period ended 18.08.17 £000	Year ended 31.05.17 £000
Net revenue before taxation	3,779	38,158
Increase in debtors	(1,078)	(5,413)
Increase/(decrease) in creditors	787	(10,055)
Net cash inflow from operating activities	3,488	22,690

DISTRIBUTION TABLES

Final distribution payable in pence per unit for the period ended 18 August 2017

Income units		Net revenue	Equalisation	Final distribution payable 17 November 2017	Final distribution paid 31 July 2017
Class 1	Group 1	0.2511	–	0.2511	1.4330
	Group 2	0.0908	0.1603	0.2511	1.4330
Class 2	Group 1	0.3493	–	0.3493	1.6343
	Group 2	0.1425	0.2068	0.3493	1.6343
Class 4	Group 1	0.2990	–	0.2990	1.4645
	Group 2	0.1995	0.0995	0.2990	1.4645
Class 5	Group 1	0.2418	–	0.2418	1.7125
	Group 2	0.1345	0.1073	0.2418	1.7125

Accumulation units		Net revenue	Equalisation	Final distribution payable 17 November 2017	Final distribution paid 31 July 2017
Class 1	Group 1	0.3674	–	0.3674	2.0850
	Group 2	0.1476	0.2198	0.3674	2.0850
Class 2	Group 1	0.3957	–	0.3957	1.7898
	Group 2	0.1900	0.2057	0.3957	1.7898
Class 4	Group 1	0.3342	–	0.3342	1.6138
	Group 2	0.2129	0.1213	0.3342	1.6138

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

Group 2 units are those units purchased after 12:00 noon on 31 May 2017.

Equalisation

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

SECURITIES FINANCING TRANSACTIONS REGULATION DISCLOSURE (UNAUDITED)

The Trust currently doesn't undertake securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365) or use total return swaps.

GENERAL INFORMATION

Our investments are intended to be medium to long term investments and should not be considered as a short term commitment.

Past performance is not a guide to the future.

The value of a Trust 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 Prospectus (which is available on the internet at www.avivainvestors.com or from the Manager on request) for a full description of the risks involved when investing in the Trust.

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 our 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 revenue 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 the independent valuer's 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 Trust may not be readily saleable.

On 18 March 2017, Aviva Investors UK Fund Services replaced Aviva Investors UK Funds Limited as the ISA Manager of all Aviva Investors ISA accounts. Other than the identity of the registered ISA Manager, no changes were made to the ISAs or the way they are run as a result of this change.

Remuneration

In line with the requirements of AIFMD, the Manager is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

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

For the year ended 31 December 2016 (the Manager's accounting year end date), remuneration paid by Aviva Plc, the ultimate parent of the Manager, to its senior management team, and staff whose actions have a material impact on the risk profile of the Manager ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£0.6m	£0.4m
Of which, Fixed Remuneration	27%	59%
Variable Remuneration	66%	28%
Pension/Benefits	7%	13%
Number of Code staff:	7	9

Publication of Prices

Information on the prices of Units will be available by calling 0800 051 2003 or on the internet at www.avivainvestors.com. Calls to this number may be recorded for training or monitoring purposes. Calls are free from landlines and mobiles.

