

# AVIVA INVESTORS UK PROPERTY FEEDER TRUST

## Interim Report and Financial Statements

For the six months ended 31 March 2023 (unaudited)



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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).

### TRUSTEE AND DEPOSITARY

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

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

PricewaterhouseCoopers LLP have been reappointed as auditors of the Trust.

### DIRECTORS

J Adamson  
M Bell  
A Coates  
M Craston  
B Fowler  
K McClellan  
M White  
S Winstanley

### REGISTRAR AND ADMINISTRATOR

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

### FUND ACCOUNTING AND PRICING AGENT

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

## MANAGER'S REPORT

### THE TRUST

Aviva Investors UK Property Feeder Trust (the Trust) is a Unit Trust incorporated in England and Wales since 18 August 2017.

The property of the Trust is entrusted to Citibank Europe plc, UK Branch (the Trustee and Depositary). The shareholders are not liable for any debts of the Trust.

The object of the Trust is to invest solely in the Aviva Investors UK Property Fund with the exception of cash balances which may also be held for the purposes of maintaining sufficient liquidity to enable the Trust to meet its commitments, such as expenses and redemptions.

The Trust has an umbrella structure which means that it may contain more than one fund, each with a different investment objective. There are currently two funds in the Aviva Investors UK Property Feeder Trust; the Aviva Investors UK Property Feeder Accumulation Fund and the Aviva Investors UK Property Feeder Income Fund (the "Feeder Funds"). In the financial statements you will find an investment review for each fund which includes details of the investment objectives.

Winding up costs for both the Aviva Investors UK Property Feeder Accumulation Fund and the Aviva Investors UK Property Income Fund will be borne by the Manager. Subsidiary undertakings and investment assets have been reclassified from Fixed Assets to Current Assets.

### AUTHORISED STATUS

The Trust is a Non-UCITS Retail Scheme under the rules of the COLL Sourcebook and is an alternative investment fund or AIF for the purposes of the FUND Sourcebook. Units in the Trust are not listed on any investment exchange. The Trust is authorised by the FCA as an "umbrella" scheme, in that the Trust issues units linked to different sub-funds which have been established. Each sub-fund is invested in accordance with the investment objective and investment policy applicable to that sub-fund and as if it were a separate Non-UCITS Retail Scheme for the purposes of the COLL Sourcebook. For investment purposes the assets of each sub-fund will be treated as separate from those of every other sub-fund.

### THE FINANCIAL STATEMENTS

We are pleased to present the interim report and financial statements of the Trust for the six months ended 31 March 2023. 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 Trust will not be holding any Annual General Meetings.

### CLOSURE OF THE AVIVA INVESTORS UK PROPERTY FUND, THE AVIVA INVESTORS UK PROPERTY FEEDER INCOME FUND AND THE AVIVA INVESTORS UK PROPERTY FEEDER ACCUMULATION FUND (THE "FUNDS")

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

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

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

On 19 July 2021 the FCA accepted Aviva Investors application to terminate the Fund. The Fund will continue to be suspended until final termination.

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

### SIGNIFICANT INFORMATION

#### COMMENCEMENT OF TERMINATION

On 19 July 2021, the Aviva Investors UK Property Fund, Aviva Investors UK Property Feeder Income Fund and the Aviva Investors UK Property Feeder Accumulation Funds commenced termination, further to the notice that we sent to affected investors in May. To ensure the fair treatment of all investors throughout the closure process, it is necessary to continue the suspension of all dealing in this Fund.

## MANAGER'S REPORT (CONTINUED)

### SIGNIFICANT INFORMATION (CONTINUED)

#### RESPONSIBLE INVESTMENT POLICY

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

#### Further details on the Policy

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

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

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

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

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

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

#### Impact on our funds

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

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

#### FATCA AND CRS REPORTING

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

## STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 31 March 2023.

## AVIVA INVESTORS UK PROPERTY FEEDER ACCUMULATION FUND

### INVESTMENT OBJECTIVE

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

The Fund is structured as a Property Authorised Investment Fund.

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

### INVESTMENT APPROACH

#### Core investment

The Fund will be invested solely in the Aviva Investors UK Property Fund (the "Master Fund") other than cash and deposits, which will only be held to ensure that the Fund can meet its payment obligations.

#### Master Fund Strategy and environmental, social and governance ("ESG") factors

The Fund aims to achieve similar investment returns to the Master Fund. However, returns may be different as a result of the cash and deposits held by the Fund.

The Master Fund is structured as a Property Authorised Investment Fund and will invest at least 70% of its assets in UK property in normal market conditions. The Master Fund's strategy, including its consideration of ESG factors, is set out below:

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

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

Investors may wish to refer to the Key Investor Information Document and Prospectus for the Master Fund for full details of its investment objective and the investments it can make.

### Performance & Risk Measurement

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

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

### RISK PROFILE

The Trust invests in the Aviva Investors UK Property Fund (the Master Fund), which invests a significant proportion of its assets in physical property that at times may not always be readily saleable. Investors should be aware that during such times that the Trust's property of the Master Fund is not readily saleable, the ACD of the Master Fund may defer redemptions or suspend dealing in shares of the Master Fund, meaning that the Manager will necessarily defer redemptions of units, or suspend dealing in units in the Trust. As a result of this, the Trust may be suitable only for those investors who have capital which may be committed on a long-term basis.

Investments in property are relatively illiquid and more difficult to realise than equities or bonds.

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

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

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



## AVIVA INVESTORS UK PROPERTY FEEDER ACCUMULATION FUND (CONTINUED)

### FUND MANAGER'S REPORT (CONTINUED)

As such Aviva Investors UK Fund Services Limited concluded that it would now be in investors' interests to wind-up the Funds and return cash to investors in a fair and orderly manner. The Funds will continue to be suspended and with effect from 19 July 2021 will be placed into termination. For further information, please visit our dedicated website at <https://www.avivainvestors.com/en-gb/paif/>

### PERFORMANCE

Over the six months to 31 March 2023, the Fund\* delivered a total return of -5.66% per cent (Share Class 2 Accumulation net of fees) compared to the Investment Association UK Direct Property Sector average of -9.34%.

### REVIEW

As investors will be aware, dealing in the Funds was suspended in March 2020 due to material uncertainty over the valuation of property within the portfolio, brought about by the Covid-19 pandemic. During this period of economic uncertainty, it became increasingly challenging to generate positive returns whilst also providing the necessary liquidity to re-open the Funds.

On 31 January 2021 the Value Assessment for these Funds determined that a strategic review should be undertaken to ensure investors' long-term interests could continue to be served. This review, combined with forecast redemption levels upon re-opening, concluded that the Funds' ability to fully benefit from the economies of scale and the diversification of investments that collective investment schemes normally bring would soon be limited. Size is particularly important for funds that invest in property directly because the costs involved in acquiring, managing and disposing of properties are usually much higher than the costs associated with other asset types.

As such it was concluded that it would be in investors' best interests to wind-up the Funds and return cash to investors in a fair and orderly manner.

The Funds have continued to be suspended during this period and with effect from 19 July 2021 was placed into termination. Since investors were informed that we will be closing the Aviva Investors UK Property Fund the focus of the manager has been on preparing for and executing the orderly sale of the Fund's portfolio.

In order to both improve investment performance for the benefit of investors whilst they remain invested in the Fund, and also to position each asset to achieve the best outcome when they are ultimately brought to market, we continue to deliver active management of the underlying property.

The previous update detailed recent disposals at Guildhall Shopping Centre, Exeter, Aberdeen Business Park and St James Gate, Newcastle. Since the previous report, the following assets have been sold;

– Spurriergate, York, November 2022 for £7.39m

– Corn Exchange, Manchester, December 2022 for £37.3m

This now leaves one remaining asset in the Fund (Central Studios, Reading), which is forecast for a 2023 disposal post completion of ongoing remedial cladding works.

As previously advised, in order to ensure the fair treatment of all investors throughout the closure process, it has been necessary to continue the suspension of all dealing in the Fund, so all investors share equitably in the proceeds raised by the sale of each property. Continuing the suspension of dealing in the Fund enables us to conduct the sale process in an orderly manner so that we can maximise the sales values achieved and act in the best interests of all investors. Until the portfolio sales plan is complete, the Management team will continue to focus on income collection and active asset management so that we can maximise the regular income distributions.

### May 2023

\* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 31 March 2023 (share class 2 accumulation, net of fees).

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

### Performance History – Accumulation Shares

Calendar year	Share Class 1 %	Share Class 2 %	Benchmark* %
31.12.17 to 31.12.18	3.40	3.70	3.24
31.12.18 to 31.12.19	-7.80	-7.60	-0.50
31.12.19 to 31.12.20	-13.60	-13.40	-3.80
31.12.20 to 31.12.21	0.50	0.70	7.40
31.12.21 to 31.12.22	2.02	2.24	-7.83

\* Benchmark – Investment Association UK Direct Property Sector.

### MATERIAL PORTFOLIO CHANGES

#### PROPERTY RELATED SECURITIES SALES

Aviva Investors UK Property Fund<sup>†</sup>

<sup>†</sup> Investment managed by a related party.

#### PROPERTY RELATED SECURITIES PURCHASES

There were no purchases during the year.

## INVESTMENT PERFORMANCE

## Net Asset Value – Accumulation Units

Unit class	As at	Net asset value* £000	Units in issue	Pence per unit
Class 1	30.09.20	61,830	70,178,567	88.10
	30.09.21	32,511	38,185,862	85.14
	30.09.22	17,370	18,812,950	92.33
	31.03.23	6,601	7,725,007	85.45
Class 2	30.09.20	116,221	130,730,362	88.90
	30.09.21	61,262	71,138,063	86.12
	30.09.22	32,802	35,047,233	93.59
	31.03.23	12,472	14,393,772	86.65

\* Valued at bid market prices.

## Unit Price Record – Accumulation Units

Units class	Financial year	Highest offer price* (p)	Lowest bid price* (p)
Class 1	2020	102.26	87.18
	2021	87.20	80.92
	2022	94.10	81.19
	2023**	91.43	85.33
Class 2	2020	102.95	87.97
	2021	88.00	81.79
	2022	95.38	82.17
	2023**	92.69	86.50

\* These prices include revenue and initial charge.

\*\* Up to 31 March 2023.

## Ongoing Charges Figure\*† (unaudited)

Unit class	OCF* 31.03.23	PER** 31.03.23	Total*** 31.03.23	OCF* 30.09.22	PER** 30.09.22	Total*** 30.09.22
Class 1	1.02%	1.27%	2.29%	1.02%	1.64%	2.66%
Class 2	0.74%	1.27%	2.41%	0.74%	1.64%	2.41%

\* 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 Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

\*\*\* The Total Ratio represents the aggregate charges of the feeder (the sub-fund) and its qualifying master scheme (the Master fund).

† The Fund purchases Share class D of the UK Property Fund which does not carry an annual management charge.

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.

## Revenue Record – Accumulation Units

The revenue record table below shows the net distribution rates per financial year on a payment date basis for an investment made on 31 September 2020.

Share class	Financial year	Net revenue per Unit (p)	Per £1,000 invested (£)
Class 1	2020	1.3416	13.01
	2021	2.0040	19.43
	2022	2.7356	26.53
	2023*	0.0000	0.00
Class 2	2020	1.4464	13.93
	2021	2.2190	21.37
	2022	2.9633	28.54
	2023*	0.0000	0.00

\* Up to 31 May 2023 (the interim distribution payment date).

## FUND PORTFOLIO STATEMENT

As at 31 March 2023

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 78.76 (93.46%)</b>				
Aviva Investors UK Property Fund†	GBP	16,804,440	15,021	78.76
<b>Total collective investment schemes</b>			<b>15,021</b>	<b>78.76</b>
Investment assets			15,021	78.76
Net other assets			4,052	21.24
<b>Net assets</b>			<b>19,073</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 September 2022.

† Investment managed by a related party.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 March 2023 (unaudited)

	£000	Six months ended 31.03.23 £000	£000	Six months ended 31.03.22 £000
Income				
Net capital (losses)/gains		(2,373)		6,208
Revenue	6		1,761	
Expenses	(137)		(314)	
Net (expense)/revenue before taxation	(131)		1,447	
Taxation	–		(185)	
Net (expense)/revenue after taxation		(131)		1,262
<b>Total return before distributions</b>		<b>(2,504)</b>		<b>7,470</b>
Distributions		–		(1,262)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(2,504)</b>		<b>6,208</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 31 March 2023 (unaudited)

	£000	Six months ended 31.03.23 £000	£000	Six months ended 31.03.22 £000
<b>Opening net assets attributable to unitholders</b>		<b>50,172</b>		<b>93,773</b>
Movement due to issue and cancellation of units:				
Amounts receivable on issue of units	–		(2,992)	
Amounts payable on cancellation of units	(28,666)		(17,105)	
		(28,666)		(20,097)
Dilution adjustment		71		144
Change in net assets attributable to unitholders from investment activities (see above)		(2,504)		6,208
Retained distribution on accumulation units		–		1,258
<b>Closing net assets attributable to unitholders</b>		<b>19,073</b>		<b>81,286</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 30 September 2022 was £50,171,960.

## BALANCE SHEET

As at 31 March 2023 (unaudited)

	As at 31.03.23 £000	As at 30.09.22 £000
<b>Assets</b>		
Investments	15,021	46,890
<b>Current assets:</b>		
Debtors	1,249	2,349
Cash and bank balances	4,364	2,362
<b>Total assets</b>	<b>20,634</b>	<b>51,601</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(1,561)	(1,429)
<b>Total liabilities</b>	<b>(1,561)</b>	<b>(1,429)</b>
<b>Net assets attributable to unitholders</b>	<b>19,073</b>	<b>50,172</b>

## ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the financial statements for the period ended 30 September 2022 and are described in those annual financial statements.

## CASH FLOW STATEMENT

For the six months ended 31 March 2023 (unaudited)

		Six months ended 31.03.23 £000	Six months ended 31.03.22 £000
<b>Net cash outflow from operating activities</b>		(5)	(2,220)
<b>Taxation</b>			
Taxation received		–	314
<b>Financial investments</b>			
Sales of investments	29,496		17,764
		<b>29,496</b>	<b>17,764</b>
<b>Financing</b>			
Interest paid from income	6		2
Amounts paid on cancellation of units	(27,495)		(16,964)
		<b>(27,489)</b>	<b>(16,962)</b>
<b>Increase/(decrease) in cash in the period</b>		<b>2,002</b>	<b>(1,104)</b>
<b>Net cash and cash equivalents at the start of the period</b>		<b>2,362</b>	<b>1,468</b>
<b>Net cash and cash equivalents at the end of the period</b>		<b>4,364</b>	<b>364</b>

## AVIVA INVESTORS UK PROPERTY FEEDER INCOME FUND

### INVESTMENT OBJECTIVE

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

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

### INVESTMENT APPROACH

#### Core investment

The Fund will be invested solely in the Aviva Investors UK Property Fund (the "Master Fund") other than cash and deposits, which will only be held to ensure that the Fund can meet its payment obligations.

#### Master Fund Strategy and environmental, social and governance ("ESG") factors

The Fund aims to achieve similar investment returns to the Master Fund. However, returns may be different as a result of the cash and deposits held by the Fund.

The Master Fund is structured as a Property Authorised Investment Fund and will invest at least 70% of its assets in UK property in normal market conditions. The Master Fund's strategy, including its consideration of ESG factors, is set out below:

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

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

Investors may wish to refer to the Key Investor Information Document and prospectus for the Master Fund for full details of its investment objective and the investments it can make.

### Performance & Risk Measurement

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

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

### RISK PROFILE

The Trust invests in the Aviva Investors UK Property Fund (the Master Fund), which invests a significant proportion of its assets in physical property that at times may not always be readily saleable. Investors should be aware that during such times that the Trust's property of the Master Fund is not readily saleable, the ACD of the Master Fund may defer redemptions or suspend dealing in shares of the Master Fund, meaning that the Manager will necessarily defer redemptions of units, or suspend dealing in units in the Trust. As a result of this, the Trust may be suitable only for those investors who have capital which may be committed on a long-term basis.

Investments in property are relatively illiquid and more difficult to realise than equities or bonds.

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

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

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

As such Aviva Investors UK Fund Services Limited concluded that it would now be in investors' interests to wind-up the Funds and return cash to investors in a fair and orderly manner. The Funds will continue to be suspended and with effect from 19 July 2021 will be placed into termination. For further information, please visit our dedicated website at <https://www.avivainvestors.com/en-gb/paif/>

## AVIVA INVESTORS UK PROPERTY FEEDER INCOME FUND (CONTINUED)

### FUND MANAGER'S REPORT (CONTINUED)

#### PERFORMANCE

Over the six months to 31 March 2023, the Fund\* delivered a total return of -5.66% per cent (Share Class 2 Accumulation net of fees) compared to the Investment Association UK Direct Property Sector average of -9.34%.

#### REVIEW

As investors will be aware, dealing in the Funds was suspended in March 2020 due to material uncertainty over the valuation of property within the portfolio, brought about by the Covid-19 pandemic. During this period of economic uncertainty, it became increasingly challenging to generate positive returns whilst also providing the necessary liquidity to re-open the Funds.

On 31 January 2021 the Value Assessment for these Funds determined that a strategic review should be undertaken to ensure investors' long-term interests could continue to be served. This review, combined with forecast redemption levels upon re-opening, concluded that the Funds' ability to fully benefit from the economies of scale and the diversification of investments that collective investment schemes normally bring would soon be limited. Size is particularly important for funds that invest in property directly because the costs involved in acquiring, managing and disposing of properties are usually much higher than the costs associated with other asset types.

As such it was concluded that it would be in investors' best interests to wind-up the Funds and return cash to investors in a fair and orderly manner.

The Funds have continued to be suspended during this period and with effect from 19 July 2021 was placed into termination. Since investors were informed that we will be closing the Aviva Investors UK Property Fund the focus of the manager has been on preparing for and executing the orderly sale of the Fund's portfolio.

In order to both improve investment performance for the benefit of investors whilst they remain invested in the Fund, and also to position each asset to achieve the best outcome when they are ultimately brought to market, we continue to deliver active management of the underlying property.

The previous update detailed recent disposals at Guildhall Shopping Centre, Exeter, Aberdeen Business Park and St James Gate, Newcastle. Since the previous report, the following assets have been sold;

- Spurriergate, York, November 2022 for £7.39m
- Corn Exchange, Manchester, December 2022 for £37.3m

This now leaves one remaining asset in the Fund (Central Studios, Reading), which is forecast for a 2023 disposal post completion of ongoing remedial cladding works.

As previously advised, in order to ensure the fair treatment of all investors throughout the closure process, it has been necessary to continue the suspension of all dealing in the Fund, so all investors share equitably in the proceeds raised by the sale of each property. Continuing the suspension of dealing in the Fund enables us to conduct the sale process in an orderly manner so that we can maximise the sales values achieved and act in the best interests of all investors. Until the portfolio sales plan is complete, the Management team will continue to focus on income collection and active asset management so that we can maximise the regular income distributions.

#### May 2023

\* Source: Lipper for Investment Management (performance calculated on a bid to bid basis, net income reinvested) as at 31 March 2023 (share class 1 accumulation, net of fees). Some of the information within this is based upon Aviva Investors estimates. These have been calculated by Aviva Investors Real Estate Strategy and Research Team based on data sourced from recent market transactions and should not be relied on by anyone else for the purpose of making investment decisions. Past performance is not a guide to future.

#### Performance History – Income Shares

Calendar year	Share Class 1 %	Share Class 2 %	Share Class 5 %
31.12.17 to 31.12.18	3.40	3.70	-1.00
31.12.18 to 31.12.19	-7.70	-7.60	-8.70
31.12.19 to 31.12.20	-13.50	-13.30	-16.20
31.12.20 to 31.12.21	0.40	0.70	1.60
31.12.21 to 31.12.22	1.84	2.01	-1.11

#### Performance History – Income Shares

Calendar year	Share Class 7** %	Benchmark Performance* %
31.12.17 to 31.12.18	N/A	3.24
31.12.18 to 31.12.19	-4.90	-0.50
31.12.19 to 31.12.20	-17.00	-3.80
31.12.20 to 31.12.21	2.60	7.40
31.12.21 to 31.12.22	-1.11	-7.83

\* Benchmark – Investment Association UK Direct Property Sector.

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

### MATERIAL PORTFOLIO CHANGES

#### PROPERTY RELATED SECURITIES SALES

Aviva Investors UK Property Fund†

† Investment managed by a related party.

#### PROPERTY RELATED SECURITIES PURCHASES

There were no purchases during the year.



## INVESTMENT PERFORMANCE

## Net Asset Value – Income Units

Unit class	As at	Net asset value* £000	Units in issue	Pence per unit
Class 1	30.09.20	50,374	60,635,341	83.08
	30.09.21	25,107	32,992,515	76.10
	30.09.22	12,863	15,823,707	81.29
	31.03.23	4,534	5,943,995	76.29
Class 2	30.09.20	53,027	63,770,106	83.15
	30.09.21	26,435	34,695,303	76.19
	30.09.22	13,536	16,640,387	80.71
	31.03.23	4,778	6,249,947	76.44
Class 5	30.09.20	–	1	82.00
	30.09.21	–	1	75.51
	30.09.22	–	–	80.15
	31.03.23	–	–	66.67
Class 7	30.09.20	–	1	82.00
	30.09.21	–	1	75.51
	30.09.22	–	–	80.15
	31.03.23	–	–	66.67

\* Valued at bid market prices.

## Unit Price Record – Income Units

Unit class	Financial year	Highest offer price* (p)	Lowest bid price* (p)
Class 1	2020	98.35	82.42
	2021	82.41	75.97
	2022	85.30	74.98
	2023**	81.32	76.02
Class 2	2020	98.34	82.48
	2021	82.40	76.07
	2022	85.45	75.10
	2023**	81.37	76.09
Class 5	2020	96.17	81.19
	2021	81.20	74.86
	2022	80.15	75.51
	2023**	80.15	76.19
Class 7	2020	97.16	81.19
	2021	81.20	74.86
	2022	80.15	75.51
	2023**	80.15	76.19

\* These prices include revenue and initial charge.

\*\* Up to 31 March 2023.

## INVESTMENT PERFORMANCE (CONTINUED)

## Ongoing Charges Figure\*\*† (unaudited)

Unit class	OCF* 31.03.23	PER** 31.03.23	Total*** 31.03.23	OCF* 30.09.22	PER** 30.09.22	Total*** 30.09.22
Class 1	1.02%	1.27%	2.29%	1.02%	1.67%	2.69%
Class 2	0.74%	1.27%	2.01%	0.74%	1.67%	2.41%

\* 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 Fund Management Fee and, where a fund invests a substantial portion of its assets in other funds, an amount for the pro-rated charges of those other funds (referred to as "synthetic charges" or the "synthetic" part of the ongoing charge). The figure for ongoing charges excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares/units in another collective investment scheme.

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

\*\*\* The Total Ratio represents the aggregate charges of the feeder (the sub-fund) and its qualifying master scheme (the Master fund).

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.

## Revenue Record – Income Units

The revenue record table below shows the net distribution rates per financial year on a payment date basis for an investment made on 31 September 2020.

Unit class	Financial year	Net revenue per unit (p)	Per £1,000 invested (£)
Class 1	2020	1.3001	13.11
	2021	1.8678	18.83
	2022	2.4617	24.82
	2023*	–	–
Class 2	2020	1.3777	13.89
	2021	2.0271	20.44
	2022	2.6395	26.61
	2023*	–	–
Class 5	2020	–	–
	2021	–	–
	2022	2.2883	23.59
	2023*	–	–
Class 7	2020	–	–
	2021	–	–
	2022	2.2883	23.35
	2023*	–	–

\* Up to 31 May 2023 (the interim distribution payment date).

## FUND PORTFOLIO STATEMENT

As at 31 March 2023

Investment	Currency	Holding	Market Value £000	% of Net Assets
<b>Collective Investment Schemes 85.08% (94.42%)</b>				
Aviva Investors UK Property Fund†	GBP	10,613,301	7,923	85.08
<b>Total collective investment schemes</b>			<b>7,923</b>	<b>85.08</b>
Investment assets			7,923	85.08
Net other assets			1,389	14.92
<b>Net assets</b>			<b>9,312</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 September 2022.

† Investment managed by a related party.

## STATEMENT OF TOTAL RETURN

For the six months ended 31 March 2023 (unaudited)

		Six months ended 31.03.23 £000	Six months ended 31.03.22 £000
Income	£000		
Net capital (losses)/gains		(1,248)	2,559
Revenue	4		967
Expenses	(77)		(183)
Net (expense)/revenue before taxation	(73)		784
Taxation	–		(100)
Net (expense)/revenue after taxation		(73)	684
<b>Total return before distributions</b>		<b>(1,321)</b>	<b>3,243</b>
Distributions		–	(684)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(1,321)</b>	<b>2,559</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 31 March 2023 (unaudited)

		Six months ended 31.03.23 £000	Six months ended 31.03.22 £000
Opening net assets attributable to unitholders		26,193	51,542
Movement due to issue and cancellation of units:			
Amounts payable on cancellation of units	(15,598)		(9,890)
		(15,598)	(9,890)
Dilution adjustment		38	89
Change in net assets attributable to unitholders from investment activities (see above)		(1,321)	2,559
<b>Closing net assets attributable to unitholders</b>		<b>9,312</b>	<b>44,300</b>

The Statement of Recommended Practice (2014) requires that comparatives are shown for the above report. As the comparatives should be for the comparable interim period, the net asset value at the end of the previous period will not agree to the net asset value at the start of this period. The published net asset value as at 30 September 2022 was £26,193,018.

## BALANCE SHEET

As at 31 March 2023

	As at 31.03.23 £000	As at 30.09.22 £000
<b>Assets:</b>		
Investments	7,923	24,731
<b>Current assets:</b>		
Debtors	616	1,311
Cash and bank balances	1,332	1,084
<b>Total assets</b>	<b>9,871</b>	<b>27,126</b>
<b>Liabilities:</b>		
<b>Creditors:</b>		
Distribution payable	–	(424)
Other creditors	(559)	(509)
<b>Total liabilities</b>	<b>(559)</b>	<b>(933)</b>
<b>Net assets attributable to unitholders</b>	<b>9,312</b>	<b>26,193</b>

## ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the financial statements for the year ended 30 September 2022 and are described in those annual financial statements.

## CASH FLOW STATEMENT

For the six months ended 31 March 2023 (unaudited)

		Six months ended 31.03.23 £000	Six months ended 31.03.22 £000
<b>Net cash inflow from operating activities</b>		<b>606</b>	<b>200</b>
<b>Servicing of finance</b>			
Distributions paid		(424)	(881)
<b>Taxation</b>			
Taxation paid		63	194
<b>Financial investments</b>			
Sales of investments	15,559	9,803	
		<b>15,559</b>	<b>9803</b>
<b>Financing</b>			
Interest paid from income	4	1	
Amounts paid on cancellation of units	(15,559)	(9,803)	
		<b>(15,555)</b>	<b>(9,802)</b>
<b>Increase/(decrease) in cash in the period</b>		<b>249</b>	<b>(486)</b>
<b>Net cash and cash equivalents at the start of the period</b>		<b>1081</b>	<b>1,567</b>
<b>Net cash and cash equivalents at the end of the period</b>		<b>1,332</b>	<b>1,081</b>

## STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the Authorised Corporate Director (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 UK Property Feeder Trust for the six months 31 March 2023 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.



—  
M Bell  
Director  
26 May 2023

## GENERAL INFORMATION

Investments in Aviva Investors UK Property Feeder Trust to obtain returns via income and capital appreciation.

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](http://www.avivainvestors.com) or from the Manager 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.

The Annual Report of Aviva Investors Property Funds ICVC containing the Annual Report and Financial Statements of Aviva Investors UK Property Fund may be viewed on the internet at [www.avivainvestors.com](http://www.avivainvestors.com) or is available from the Manager on request.

### 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](http://www.avivainvestors.com). Calls may be recorded for training or monitoring purposes and to comply with applicable law and regulations. Calls are free from UK landlines and mobiles.



## VALUE ASSESSMENT

Value Assessments for the Aviva Investors UK Property Feeder Trust can now be found at [www.avivainvestors.com/value-assessments](http://www.avivainvestors.com/value-assessments).

## REMUNERATION POLICY (UNAUDITED)

### AIFMD REMUNERATION DISCLOSURE

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

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives.

### REMUNERATION GOVERNANCE

#### AVIVA INVESTORS REMUNERATION COMMITTEE

The Aviva Investors Remuneration Committee is responsible for reviewing and making recommendations to the Aviva Group Remuneration Committee and Aviva Investors Holdings Limited Board regarding the Remuneration Policy of Aviva Investors including AIGSL. This Committee reviews individual remuneration packages for all employees to which the Remuneration Code applies and considers the remuneration policy and structures for all Aviva Investors employees.

The Aviva Investors Remuneration Committee is comprised of Non-Executive Director Mike Craston and Independent Non-Executive Directors Jeffrey Weingarten (Chair), Sue Amies-King, Alexa Coates, Andrew Kirton and Mark White. The majority of the members were also members of the Aviva Investors Risk Committee during 2022. The Aviva Investors Remuneration Committee met on 5 occasions in 2022.

#### AVIVA GROUP REMUNERATION COMMITTEE

The Aviva Group Remuneration Committee oversees Aviva's remuneration policies and practices. The Committee considers alignment between Group strategy and the remuneration of Directors and Material Risk Takers (MRTs) within Aviva Investors. The Committee also works with the Board Risk Committee to ensure that risk and risk appetite are properly considered in setting the remuneration policy. The full roles and responsibilities of the Aviva Group Remuneration Committee are available on the Investor Relations website, found here: <http://www.aviva.com/investor-relations/corporate-governance/board-of-directors/board-committees/remuneration-committee/>

The Aviva Group Remuneration Committee is comprised of Independent Non-Executive Directors Pippa Lambert (Chair), Andrea Blance and Patrick Flynn. Andrea Blance and Patrick Flynn were also members of the Board Risk Committee during 2022. The Aviva Group Remuneration Committee met on 7 occasions in 2022.

When setting remuneration policy, the relevant Remuneration Committees take account of the company's strategic objectives and take into account the long-term interests of shareholders and other stakeholders.

During 2022 the Aviva Investors Remuneration Committee and Aviva Group Remuneration Committee received independent advice on executive remuneration matters from Deloitte LLP which is a member of the Remuneration Consultants Group and adheres to its Code of Conduct.

### REMUNERATION POLICY

The Aviva Investors remuneration policy is consistent with Aviva's remuneration principles which support the execution of Aviva Investor's strategy, rewarding sustained performance and growth aligned with our values:

- **Performance aligned:** We differentiate reward based on performance. Outcomes are aligned with Aviva, business-line and individual performance, both financial and non-financial.
- **Competitive:** We focus on the total reward package, ensuring that reward programme design and outcomes are market aligned and competitive, enabling the attraction, motivation and retention of high-quality colleagues.
- **Simple, transparent and consistent:** We operate a 'one Aviva' approach to reward. Our reward programmes are only as complex as necessary. They are easily understood.
- **Fair:** Our reward programmes and decision-making support Aviva's commitment to create a diverse and inclusive organisation, ensuring that all colleagues are rewarded fairly in view of the results achieved and individual contributions. Our reward approach is designed to attract, motivate and retain high quality colleagues, regardless of gender, ethnicity, age, disability or any other factor unrelated to performance, contribution or experience
- **Doing the right thing:** We do the right thing through reward programmes that support Aviva's values, behaviours and sustainability objectives. Outcomes consider expectations of Customers, Colleagues and Shareholders.
- **Risk aligned:** Reward is designed to promote sound and effective risk management, within a robust internal governance framework.

### LINK BETWEEN PAY AND PERFORMANCE

Performance is measured against a combination of:

- **Aviva Investors and Group performance:**
  - A rounded assessment of performance against financial key performance indicators (including, but not limited to operating profit, investment performance and net flows). The assessment of financial performance includes reference to actual results versus prior period results, agreed plans, relativity to competitors and progress towards our long-term target ambition; and
  - Non-financial considerations including management of risk (including the integration of sustainability risks in the investment process, where applicable), diversity and inclusion, employee engagement metrics and alignment with value created for our shareholders.
- **Business Unit Performance:** Contribution of each business area to the overall success of the Aviva Investors, year on year growth and execution of its strategy; and
- **Individual Performance:** Delivery against individual goals and relative performance in comparison to peers, as well as the extent to which individuals have demonstrated the Aviva values.

The Performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

## REMUNERATION POLICY (UNAUDITED) (CONTINUED)

### LINK BETWEEN PAY AND PERFORMANCE (CONTINUED)

The Risk function provide an independent assessment of risk and control effectiveness to the Aviva Group Remuneration Committee for consideration in setting the bonus pool. The assessment is based on a balanced scorecard with metrics designed to drive and reward good risk management behaviours and outcomes, and measures to ensure appropriate independent challenge and review. The assessment includes consideration of both current and likely future risks facing the business.

The Risk function also input on any risk and conduct breaches occurring during the year that could impact variable remuneration outcomes on an individual basis. Future risks identified that have a likelihood of materialising may result in withholding or reduction in variable remuneration.

Through Aviva Investors' Global Reward Framework, all investment employees should support responsible investment and integrate ESG considerations into their investment processes, including the consideration of Sustainability Risk (as defined by the EU Sustainable Finance Disclosure Regulation). ESG research is integrated into the investment process and forms part of the investment scorecard and annual risk attestation. The Chief Investment Officers and investment desk heads consider how investment employees demonstrate their commitment to ESG processes as part of the determination of annual performance and pay outcomes.

The remuneration of employees in Control Functions (defined as Risk, Compliance and Audit) is determined independently of the financial results of Aviva Investors in order to reinforce the independence of these functions. To avoid conflicts of interest, no individual is involved in decisions relating to his or her own remuneration.

### STRUCTURE OF REMUNERATION

#### FIXED REMUNERATION

Basic Salary – set within an appropriate market range and reflecting a colleague's professional experience and organisational responsibilities. Fixed pay is set at a level which is sufficient to allow the possibility, where performance warrants, that an employee may receive no variable pay.

Benefits – standard benefits are provided that are appropriate to the market, compliant with all legal requirements and intended to provide choice and flexibility to meet individual needs.

#### VARIABLE REMUNERATION

Annual Bonus – a discretionary short-term incentive plan where individuals may receive a bonus based on business and individual performance against targets. All Aviva Investors colleagues who are permanent employees or Fixed Term Contractors are eligible to be considered for an annual bonus.

Annual bonuses are typically received in cash but awards above certain thresholds are deferred to align the interests of employees with those of the company, its customers, and shareholders and to aid retention. A three-year deferral with pro-rata vesting in Aviva funds and/or Aviva Group Plc shares applies. MRTs are subject to additional deferral requirements, further detail is included below in the section 'MRT Deferrals and Retention Periods'.

Long Term Incentive Awards (LTIA) – discretionary long-term incentive plan to align reward with long-term investment performance, Aviva Group and Shareholders, and with the additional intention to help retain key talent. All Aviva Investors colleagues who are permanent employees are eligible to receive an LTIA, although LTIA's are typically awarded to a select number of senior colleagues.

LTIA's vest after three years; part in Aviva Investors and part in Aviva Restricted Share Units (RSUs). For colleagues in the Real Assets business, Aviva funds are subject to a two-year holding period post vesting to align with the longer-term nature of investments in the Real Assets business. For the Aviva Investors CEO, due to his role as a member of the Aviva Executive Committee the award of RSUs is subject to additional Aviva Group performance conditions. For MRTs, vesting is subject to a pre-vesting assessment of individual performance, behaviours, and alignment with the company values of Aviva Investors throughout the three-year performance period.

Variable remuneration is discretionary and fully flexible, including the possibility of zero if performance thresholds are not met.

#### MRT DEFERRALS AND RETENTION PERIODS:

In line with regulatory requirements, MRTs are subject to additional deferral requirements:

- MRTs who have also been identified under the Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for Collective Investment in Transferable Securities V (UCITS) Directive are subject to the AIFMD/UCITS V remuneration requirements. The requirements are applied on an apportioned basis, based on the % of Assets Under Management (AUM) of the AIFMD/UCITS regulated firm versus total AUM of Aviva Investors. The apportioned variable remuneration is subject to the following requirements: 40% of variable remuneration under £500,000 is deferred over three years. This increases to 60% for variable pay over £500,000. A minimum of 50% of total variable remuneration is delivered in Aviva funds and/or Aviva Group Plc shares, this applies to both the deferred element and the upfront element (the element that is not subject to deferral).
- When setting deferral schedules and retention periods for MRTs, Aviva Investors take into account:
  - The firm's business cycle (including length), the nature of its business and its risk profile;
  - The activities and responsibilities of MRTs and how these may impact the risk profile of the firm or the assets the firm manages;
  - Whether the deferred variable remuneration is paid out in instruments or cash;
  - The amount of the variable remuneration and the ratio of variable to fixed remuneration; and
  - How long it could take for the risks underlying the staff member's performance to crystallise.

Aviva Investors considers, based on market practice and in consideration that all variable awards are subject to clawback post vesting, that: the proportion of variable remuneration that is deferred is appropriate to align the interest of colleagues with the risk profile of the regulated entities; the retention period is of suitable length post release of the deferred awards (or in the case of an upfront component the award); and, the deferral period and vesting schedule is of an appropriate length.

## REMUNERATION POLICY (UNAUDITED) (CONTINUED)

### MRT DEFERRALS AND RETENTION PERIODS: (CONTINUED)

For all MRTs, malus provisions and leaver conditions will apply during the vesting period. However, these will not apply during the six-month holding period. Clawback provisions continue to apply after the vesting period, including during the holding period.

Colleagues are not permitted to undertake personal hedging strategies in respect of any variable remuneration.

### MALUS AND CLAWBACK

All variable pay granted or paid to any Aviva Investors employee is subject to the Aviva's Malus and Clawback Policy. This includes the cash and deferred elements of the annual bonus plan and any LTIA. The circumstances when Malus and Clawback may apply are documented in the Directors Remuneration Policy section of the Annual Report and Accounts, found here: <https://www.aviva.com/investors/annual-report/>

### GUARANTEES

Guaranteed awards are only offered for the year of hire in exceptional circumstances and provided the legal entity has a sound and strong capital base. In line with Aviva's policy, guarantees must:

- Not be more generous than necessary and only offered if alternate approaches, such as full year bonus opportunity, are not considered appropriate.
- Not be offered to Executive Directors.
- Be subject to a minimum standard of personal performance, behaviour and conduct.

Guarantees are subject to appropriate governance and approvals and are subject to Aviva's Malus and Clawback Policy.

### SEVERANCE

Any severance payment above and beyond statutory or existing contractual entitlements is at the company's absolute discretion. There is no automatic right to a pro-rata bonus payment in the event of termination of employment by the company or individual. Any bonus payments related to early termination of contracts are at the company's discretion and will reflect performance achieved over time and designed in a way which does not reward poor conduct or failure. Treatment of any unvested share, fund or bonus awards are governed by the relevant plan rules. There is no automatic entitlement to any payment under these plans other than where expressly stated in the plan rules.

The maximum severance pay is based on Aviva applicable policies; in the event of redundancy the maximum severance pay is calculated based on year of service, with each year of service representing a proportion of salary as per Aviva Discretionary Redundancy policies, plus a discretionary pro-rata lost bonus opportunity.

In non-redundancy exits the criteria used to determine maximum severance pay is linked to the reason for the exit, the employees' length of service and the requirement to reach settlement weighted against the legal risk of litigation. In the event of legal proceedings, the maximum severance payment may exceed the calculated and determined approach above.

### MATERIAL RISK TAKER IDENTIFICATION

Aviva Investors identified MRTs in accordance with the FCA Remuneration rules and guidance as set out in SYSC 19B.

The MRT population is reviewed at least annually by the Remuneration Committees and individuals are notified of their status.

### QUANTITATIVE REMUNERATION DISCLOSURES

AIUKFSL has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2022, apportioned remuneration based on the time assessed to be spent on AIUKFSL AIFMD activity paid by Aviva Plc, the ultimate parent of AIUKFSL, to its senior management team, and MRTs:

GBP Millions	Senior Management	Other MRTs
Total Remuneration:	£1.3m	£1.1m
Of which, Fixed Remuneration:	36%	42%
Variable Remuneration:	59%	51%
Pension/Benefits:	5%	7%
Number of Code staff:	23	24

