

AVIVA INVESTORS PROPERTY TRUST

Annual Report and Financial Statements

For the year ended 31 May 2016

CONTENTS

Trust Information*	2
Fund Manager's Report	3
Authorisation Record	7
Portfolio Statement	10
Statement of the Authorised Manager's and Trustee's Responsibilities	12
Trustee's Report to the Unitholders	12
Directors' Statement*	12
Valuer's Report to the Unitholders	13
Independent Auditor's Report to the Unitholders of the Aviva Investors Property Trust	14
Statement of Total Return	16
Statement of Change in Net Assets Attributable to Unitholders	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19
Distribution Tables	29
General Information	31

* 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
No. 1 Poultry
London, EC2R 8EJ

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

P Neville (resigned 30 June 2015)
I K Buckle
E E Potter (resigned 19 October 2015)
J Misselbrook
D Dahan (resigned 31 March 2016)
S Ebenston
C Abrahams (appointed 1 July 2015, resigned 31 December 2015)
A Brown (appointed 2 February 2016, resigned 22 July 2016)
M Craston (appointed 22 March 2016)
G Cass (appointed 16 June 2016)

ADMINISTRATOR AND REGISTRAR

International Financial Data Services (UK) Limited
IFDS House
St Nicholas Lane
Basildon
Essex, SS15 5FS

INVESTMENT ADVISER

Aviva Investors Global Services Limited
No.1 Poultry
London, EC2R 8EJ

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

On 1 January 2016, the Trustee and Depositary, Citibank International Limited, was replaced by Citibank Europe plc, UK Branch. All legal obligations, personnel and resources of Citibank International Limited were transferred to Citibank Europe plc, UK Branch. Citibank Europe plc, UK Branch, has the same substance and capability as Citibank International Limited.

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. If this is the case we may suspend dealing in the Trust. Please see the following paragraph for details in relation to the current suspension of the Trust.

TEMPORARY SUSPENSION OF DEALING

Over recent months we have been experiencing higher than usual volumes of requests to sell units in the Trust, and this coupled with challenging market conditions in light of investor sentiment regarding the EU referendum, has reduced the amount of cash held by the Trust. As it takes time to sell property, the Manager has had to temporarily suspend all dealing in the Trust with effect from 12 noon on 4 July 2016 until the amount of the cash held in the Trust increases. Suspension of dealing means that we cannot accept instructions to buy, sell, transfer or switch units in the Trust until further notice. The decision was made to safeguard the interests of existing investors with agreement from the Depositary and Trustee of the Trust, Citibank Europe plc, UK Branch. We continue to monitor the liquidity situation on a daily basis and are in regular contact with the Trustee and Depositary, Citibank Europe plc, UK Branch, who is also monitoring the situation. We will, together with Citibank, agree the appropriate time to re-open the Trust. However, this has not impacted the fair value of assets and liabilities reported at the balance sheet date (31 May 2016). Further information in relation to the current suspension of the Trust can be found on our website at www.avivainvestors.com.

FUND MANAGER'S REPORT

For the year ended 31 May 2016

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.

As at 31 May 2016, the Trust has around 83% of its assets in direct real estate.

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 twelve month period under review, the Trust (retail unit class) produced a total return (after the deduction of charges and non-recoverable expenses) of -0.12%¹.

The returns from the direct property element and listed securities element (before charges and non-recoverable expenses) held throughout the period under review were as follows: direct property 9.7%²; listed real estate securities -6.59%³.

TRUST PROFILE AND PORTFOLIO REVIEW

The total net assets of the Trust as at 31 May 2016 were £1,849.7m excluding accumulated income (£1,975.4m as at 31 May 2015)⁴.

The asset split was 83.8% in direct property (60 properties), 7% in listed securities and 9.2% in cash or liquidity instruments⁴.

The Trust benchmarks its direct property performance against the other authorised property unit trust funds within the peer group, which are independently measured by Investment Property Databank (IPD). Whilst we do not have data to end of May, due to the benchmark publication being quarterly, we can say that as at the 31 March 2016 the sector split within the direct property portfolio as compared with the Investment Property Databank (IPD) Authorised Property Unit Trust Funds benchmark was offices 33.6% (32%), retail 36.1% (39.2%), industrial 15.9% (19.9%) and other 14.5% (8.9%)⁵.

FUND MANAGER'S REPORT (CONTINUED)

For the year ended 31 May 2016

PORTFOLIO REVIEW (CONTINUED)

The Trust aims to be overweight to sectors that we forecast to out-perform the wider UK commercial property market over our forecast period. This is supported by the top down analysis, and in particular, the sector forecast analysis conducted by our in-house real estate research and strategy team. In terms of the Trust's asset allocation, this is primarily driven by the risk and reward analysis of the underlying properties, which is complimented by the top-down analysis. This is preferable to a pure sector-led strategy so as to ensure that property specific risk, and the investment opportunity offered by each property, is fully captured in addition to the market and economic risk captured from the top down analysis.

The Trust has been positioned to maximise the potential to outperform at this point in the property cycle. Our work has involved strong conviction on sales and purchases. Furthermore, we have invested into our existing assets, through development and refurbishment programmes, in order to capture the upswing in the occupier markets.

SALES

During the period under review the Trust sold six properties for a total of just over £179.51m.

Birstall Shopping Park, Leeds – Q3 2015

The Trust's share of the property was sold with net receipts of £18.6m.

The Trust owned a 17.5% interest in this large retail park on the edge of Leeds next to the M62. Having achieved some of the top rents in the country a few years ago, the park has been in steady decline following increased local competition, particularly from Leeds city centre with the opening of the Trinity Shopping Centre a couple of years ago, and now Castleford where a new out-of-town scheme is proposed. Whilst occupiers still traded well from the park, we felt that the rental levels could not be supported and with the short-term nature of the current leases the co-owners, including the Trust, have been under pressure to maintain occupancy by dropping rents significantly. We therefore felt the sale of the asset was appropriate for the Trust.

Cornwall Street and Armada Way, Plymouth – Q3 2015

The sale of the properties was completed with net receipts of £12.41m.

This was identified as a non-core holding and deemed appropriate for sale. Plymouth as a retail centre has struggled due to the recession and the opening of the Drake Circus Shopping Centre which has limited occupational demand. Prime Zone A levels had fallen significantly from the peak and due to the void levels in the vicinity there was limited expectation of rental growth. The sale price achieved valuation level.

Dover Street, London – Q4 2015

The property was sold with net receipts of £14m.

Dover Street was identified as a non-core holding for the Trust. The property is a leasehold building, with five upper floors of vacant office accommodation.

Feasibility analysis was undertaken to establish whether a refurbishment or a sale provided a better risk adjusted return for the Trust, and a sale was identified as the best strategy for the asset. The sale was significantly ahead of valuation as the property was sold to an owner occupier.

Endeavour Drive, Basildon – Q1 2016

The property was sold with net receipts of £20m.

The property is a c.117,000 sq ft single let office building in a secondary location on the outskirts of London. The office is let to FDR Limited who has a break option in September 2019. The rent roll of the asset is currently in excess of £1.785m per annum.

Sensitivity analysis was undertaken to establish the risk and reward benefits of the tenant remaining in occupation or the break being operated and the property requiring refurbishment and re-letting. It was decided that a sale was the best risk reward strategy for the Trust due to the building being oversized for the local market and the cost of refurbishing the property and splitting it for multiple occupancy were prohibitive.

Cross Point, Coventry – Q2 2016

The property was sold with net receipts of £6.5m.

The property offers limited short term potential for asset management initiatives to be undertaken or longer term development potential, with Tenpin having a minimum car park provision in their lease. There are planned leisure developments in the pipeline within and near Coventry which will increase competition and erode performance. With the two leases having 6.4 years to expiry the property's value will start to materially reduce in the coming years as it starts to get classified as short income. The property is over-rented which will be a drag on performance.

We believe this property will under perform during the next five years and the decision was therefore made to sell the asset.

Academy House, London – Q2 2016

The property was sold with net receipts of £108m.

The Trust had originally planned to redevelop the building to provide a new prime 45,000 sq ft scheme consisting of office and retail accommodation. During the marketing of the property the Trust was able to find a special purchaser who required the entire premises for owner occupation. The property was sold at £108m achieving a sale price commensurate with the Trust's aspirations for the completed building, including a profit margin. The sale has benefitted the Trust by achieving pricing aspirations, whilst simultaneously reducing development void by 4.46%, de-risking the development, delivering the performance to the Trust at least six months earlier than anticipated, and not having to expend the £16m of capital to refurbish the project.

PURCHASES

The Trust completed on one purchase during the year.

66 Queen Square, Bristol – Q4, 2015

The Trust completed the purchase of 66 Queen Square, Bristol in December 2015. The property comprises of a new five storey office development, behind a retained Georgian façade. Queen Square itself sits adjacent to Bristol's floating harbour and is surrounded by waterfront cafes and bars and is only a ten minute walk from the City's major shopping destinations and from Bristol Temple Meads railway station. The building is 85% let to leading professional services firm KMPG LLP, at a contracted rent of over £1.4m. The Trust obtained a rental cover for the remaining vacant space and we anticipate letting this space in the near future.

FUND MANAGER'S REPORT (CONTINUED)

For the year ended 31 May 2016

PORTFOLIO REVIEW (CONTINUED)

KEY ASSET MANAGEMENT INITIATIVES

In addition to purchases and sales the Trust continues to focus on value-add to the existing portfolio, through active asset management initiatives. Indeed, the Trust's portfolio has seen a continuing improvement in occupier activity over the review period. Some markets are seeing strong recovery, and are showing rental growth through increased levels of demand and a lack of supply. However, demand remains very asset specific, and therefore the focus will remain on higher quality assets in key markets/economic areas.

Below are examples of key development projects currently underway, that we believe will deliver improved capital and rental performance in the period ahead.

Redevelopment – Corn Exchange, Manchester

The Corn Exchange has been remodelled and transformed into the City's premium dining destination. The property location benefits from being in the heart of Manchester's city centre and close to all the major tourist attractions. Agreements have been signed with leading restaurant operators such as Zizzi, Pizza Express, Restaurant Bar & Grill, Tampopo and Salvi's Deli with many of the operators choosing the Corn Exchange for their first regional exposure outside of London, demonstrating the quality of location and consumer demand. The centre has recently been awarded 'Catering and Leisure – Gold Winner' by the British Council of Shopping Centres. The redevelopment was completed on time in Q3 2015.

The development has also obtained planning approval for the development of a 100 room hotel in the upper levels of the centre which is due for completion during Q1 2017. The hotel has already been pre-let.

Redevelopment – Guildhall, Exeter

This shopping centre is located within a strong university city, which benefits from an affluent and extensive catchment. The Trust has capitalised on the opportunity to reconfigure the listed ambulatory element into the city's premier dining destination via the creation of twelve restaurant units and two roof top bars. This will include refurbishing the public realm and the two entrances, to improve the customer experience and add value to the retail offer. With completion due in the second quarter of 2016 we currently have 100% of the restaurant space already exchanged or under offer to operators including Comptoir Libanais, GBK, Kupp and Cabana.

Refurbishment – 20 Soho Square, London

This office property comprises 65,000 sq ft of offices over lower ground, ground and seven upper floors and occupies a prominent position on one of Soho's most exclusive squares. The property is currently undergoing a full programme of refurbishment with completion expected in Q4 2016. The appointed architect is the award winning practice, Buckley Grey Yeoman, and with the shortage of supply in the West End occupational market we are confident the scheme will appeal to a wide range of potential occupiers. The building has been pre-let to US technology firm Palantir at 4% ahead of the estimated rental value.

Refurbishment – Forum St. Pauls (formerly Abacus House), London

This office property comprises 60,500 sq ft of offices over lower ground, ground and seven upper floors. The building is currently undergoing a full programme of refurbishment works with completion scheduled in Q2 2017. Planning has been obtained to create roof top terraces, a redesigned ground floor co-working space and to replace the car parking with an external communal realm for the benefit of the tenants. The property location benefits from being in the heart of London's City Centre, close to major transport nodes and St Paul's Cathedral.

VOID RATE

The amount of un-let (void) accommodation as at 31 May 2016 stood at 6.32%. We would expect it to continue to reduce over the coming months and quarters with potential sales and completion of asset management activity.

Our portfolio of listed real estate securities remains focused on the large liquid UK quoted Real Estate Investment Trusts (REITs) that has the ability to deliver a reliable and attractive income stream from high-quality real estate portfolios. Our two largest positions are in British Land and Land Securities which together represent over half of the REITs portfolio by value.

UK REAL ESTATE MARKET REVIEW

2015 saw returns continue at well above their long-term average for a third consecutive year with the IPD Quarterly Index (IPDQI), delivering 3% in the final quarter to bring total annual returns to 13.1%. Although a significant decline on the 17.9% seen in 2014, this was still the second strongest year for the UK real estate market since 2010. Last year also saw another record for UK real estate transactions. Despite a noticeable slow down in the second half of the year, the £70 billion of deals recorded by Propertydata.com was an 11% increase over the previous record set in 2014. Real estate returns are moderating as the pace of yield compression eases after falling rapidly in recent years. According to the IPDQI, the UK all-property equivalent yield declined by 32bps through the course of 2015 to stand at 5.8% by the end of the year, it's lowest level since 2007. However, the pace of rental growth continues to climb steadily promising a better balance to future returns. By December last year, the IPDQI estimates that all-property rental growth was running at 4% year-on-year, the strongest pace of growth seen since 2007.

FUND MANAGER'S REPORT (CONTINUED)

For the year ended 31 May 2016

UK REAL ESTATE MARKET REVIEW (CONTINUED)

The offices and industrial sectors continue to lead performance, with total returns picking-up quickly in regional markets. The retail sector trails behind overall but is polarised between the south-east of England, where conditions are often buoyant, and the regions, where rental declines continue to drag on performance in many locations. Overall, retail rental growth was positive at 1.1% (year-on-year) in December, but retail rents still remain almost 8% below their 2008 peak. By contrast, industrial rents have almost returned to their peak levels while office rents have actually moved higher. This lag in rental recovery helps to explain why the retail sector continues to underperform. According to the IPDQI, the retail sector delivered a still healthy total return of 9% in 2015, but this was significantly behind the 17.6% from offices and the 16.5% delivered by industrial properties. Despite the modest decline in manufacturing output seen late in 2015 and the fact that total output is still below the 2008 peak, leasing activity in the industrial and logistics sectors remains robust, largely due to the growth of online retailing and trade counter operators. This is maintaining downward pressure on availability and upward pressure on rents.

By December, the IPDQI estimated rental growth was 4.6% year-on-year, up from 2.5% a year earlier. This is the strongest rate of growth since the latter part of 2000 and although rental growth remains far stronger in the south-east (5.6%) than in the rest of the country (3.2%), the pace of growth is accelerating across the country. Offices, meanwhile, continued to see strong rental growth in 2015 (8.2%), also concentrated in London and the south-east but increasingly spreading to the regions.

Moving into 2016 the March budget contained an unexpected sting for the commercial real estate sector with changes to the Stamp Duty Land Tax (SDLT) in England & Wales that effectively amount to an increase in this transactions tax from 4% to 5%. This increase has shown up immediately in real estate valuations. According to the IPD Monthly Index (IPDMI), all-property capital values fell by 0.6% month on month in March as the changes were incorporated into asset valuations. This was the first monthly decline since April 2013 and was enough to generate a negative return on the month of 0.2%. For Q1 as a whole, values fell by 0.2% and the index delivered a total return of 1.1%. While the increase in SDLT distorted the return picture in Q1, the underlying pace of returns is easing nonetheless. In large part, this is because downward movement in real estate yields is tailing off in all major sectors.

UK REAL ESTATE MARKET PROSPECTS

Our view remains that the outlook for real estate returns is positive over the short and medium term even though returns from UK commercial real estate are easing and likely to ease further in coming quarters. Though yield compression is fading, as investor demand moderates amid financial market volatility and elevated geo-political risks, current yields look well supported given near record-low sovereign bond yields. As a result returns will become more dependent on income and rental growth prospects. Underlying occupier markets however appear solid and further rental growth is expected in most parts of the market. Debt markets remain open and monetary policy settings are likely to be extremely supportive for an extended period. Normalisation in bond yields and interest rates looks set to be a gradual multi-year process coinciding with ongoing economic and financial sector recovery. As such it is unlikely to cause a shock to real estate returns.

Our All-Property total returns expectations are 6.6% for 2016, and averaging 5.1% per annum between 2016 and 2020*.

In our view, performance over the next five years is likely to be strongest in regional offices and industrial assets, and weakest

in more volatile segments, including prime London offices and retail. Yields in these parts of the market have reached all-time lows and they appear vulnerable to occupier demand shocks or unexpected interest rate tightening.

15 June 2016

(Please note that this commentary was written before the EU referendum and the Trust's temporary suspension of dealing. Please see pages 2 and 28 for details of all the 'post balance sheet' events.)

* Reference to forecast return is Aviva Investors Q2 2016 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 and 9 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 31 May 2016 (Class 1 Income units)

² Source: Investment Property Databank (IPD) Balanced Monthly Index Funds benchmark (AIPT) as at 31 May 2016

³ Source: Aviva Investors 31 May 2016

⁴ Source: Aviva Investors as at 31 May 2016

⁵ Source: Aviva Investors IPD APUT benchmark report March 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.

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*

Newriver Retail

British Land

Land Securities

Hammerson

Hansteen

Segro

Safestore

Great Portland Estates

+ Investment managed by a related party.

Direct Property Sales

32 Dover Street, London

Cross Point, Coventry

Cornwall St, 10-46 Cornwall St & 152-158 Armada, Plymouth

Visteon Headquarters, Endeavour Drive, Basildon

Birstall Shopping Park, 17.5% co-ownership stake, Birstall

Academy House, 161/7 Oxford St & 36 Poland St, London

Direct Property Purchases

66-72 Queen Square, Bristol

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.

COMPARATIVE TABLES

Class 1 Income	2016 p per unit	2015 p per unit	2014 p per unit
Change in net assets per unit			
Opening net asset value per unit	116.47	109.02	102.39
Return before operating charges [†]	8.15	12.10	11.62
Operating charges	(2.38)	(2.36)	(2.16)
Return after operating charges [†]	5.77	9.74	9.46
Distributions on income units	(1.86)	(2.29)	(2.83)
Closing net asset value per unit	120.38	116.47	109.02
Retained distributions on accumulation units	–	–	–
[†] after direct transaction costs of	(0.08)	(0.07)	(0.06)
Performance			
Return after charges	4.95%	8.95%	9.24%
Other information			
Closing net asset value (£000)	277,345	451,661	612,027
Closing number of units	230,382,687	387,796,434	561,396,809
Operating charges (%) [†]	2.00%	2.04%	2.02%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[™]			
Highest unit price	130.81	129.17	121.13
Lowest unit price	115.73	112.99	100.96

Class 2 Income	2016 p per unit	2015 p per unit	2014 p per unit
Change in net assets per unit			
Opening net asset value per unit	107.91	101.03	94.87
Return before operating charges [†]	7.48	11.07	10.68
Operating charges	(1.51)	(1.52)	(1.39)
Return after operating charges [†]	5.97	9.55	9.29
Distributions on income units	(2.33)	(2.67)	(3.13)
Closing net asset value per unit	111.55	107.91	101.03
Retained distributions on accumulation units	–	–	–
[†] after direct transaction costs of	(0.08)	(0.06)	(0.06)
Performance			
Return after charges	5.53%	9.45%	9.80%
Other information			
Closing net asset value (£000)	563,573	599,848	341,225
Closing number of units	505,239,241	555,872,412	337,741,211
Operating charges (%) [†]	1.37%	1.41%	1.39%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[™]			
Highest unit price	115.44	114.27	107.17
Lowest unit price	107.32	104.75	93.61

Class 1 Accumulation	2016 p per unit	2015 p per unit	2014 p per unit
Change in net assets per unit			
Opening net asset value per unit	165.43	151.84	138.91
Return before operating charges [†]	11.67	16.89	15.87
Operating charges	(3.39)	(3.30)	(2.94)
Return after operating charges [†]	8.28	13.59	12.93
Distributions on income units	–	–	–
Closing net asset value per unit	173.71	165.43	151.84
Retained distributions on accumulation units	2.70	3.20	3.86
[†] after direct transaction costs of	(0.12)	(0.10)	(0.09)
Performance			
Return after charges	5.01%	8.95%	9.31%
Other information			
Closing net asset value (£000)	399,227	463,704	530,218
Closing number of units	229,821,283	280,295,402	349,195,150
Operating charges (%) [†]	2.00%	2.04%	2.02%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[™]			
Highest unit price	187.19	181.65	166.29
Lowest unit price	164.32	157.39	137.04

Class 2 Accumulation	2016 p per unit	2015 p per unit	2014 p per unit
Change in net assets per unit			
Opening net asset value per unit	116.18	106.10	96.56
Return before operating charges [†]	8.10	11.70	10.98
Operating charges	(1.64)	(1.62)	(1.44)
Return after operating charges [†]	6.46	10.08	9.54
Distributions on income units	–	–	–
Closing net asset value per unit	122.64	116.18	106.10
Retained distributions on accumulation units	2.53	2.82	3.22
[†] after direct transaction costs of	(0.08)	(0.07)	(0.06)
Performance			
Return after charges	5.56%	9.50%	9.88%
Other information			
Closing net asset value (£000)	568,002	418,227	160,301
Closing number of units	463,163,327	359,970,304	151,090,173
Operating charges (%) [†]	1.37%	1.41%	1.39%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[™]			
Highest unit price	125.54	121.50	110.66
Lowest unit price	115.50	110.03	95.29

COMPARATIVE TABLES – CONTINUED

Class 4 Income	2016 p per unit	2015 p per unit	2014 p per unit
Change in net assets per unit			
Opening net asset value per unit	107.74	100.90	94.82
Return before operating charges [†]	7.51	11.08	10.78
Operating charges	(1.81)	(1.82)	(1.56)
Return after operating charges [†]	5.70	9.26	9.22
Distributions on income units	(2.08)	(2.42)	(3.14)
Closing net asset value per unit	111.36	107.74	100.90
Retained distributions on accumulation units	–	–	–
[†] after direct transaction costs of	(0.08)	(0.06)	(0.06)
Performance			
Return after charges	5.29%	9.18%	9.72%
Other information			
Closing net asset value (£000)	76	108	47
Closing number of units	68,557	99,945	46,568
Operating charges (%) [‡]	1.65%	1.69%	1.67%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[≈]			
Highest unit price	121.01	119.66	112.37
Lowest unit price	107.11	104.59	93.54

Class 4 Accumulation	2016 p per unit	2015 p per unit	2014 p per unit
Change in net assets per unit			
Opening net asset value per unit	115.51	105.73	96.47
Return before operating charges [†]	8.08	11.72	10.95
Operating charges	(1.95)	(1.94)	(1.69)
Return after operating charges [†]	6.13	9.78	9.26
Distributions on income units	–	–	–
Closing net asset value per unit	121.64	115.51	105.73
Retained distributions on accumulation units	2.14	2.55	2.96
[†] after direct transaction costs of	(0.08)	(0.07)	(0.06)
Performance			
Return after charges	5.31%	9.25%	9.60%
Other information			
Closing net asset value (£000)	185	400	87
Closing number of units	151,787	346,779	81,906
Operating charges (%) [‡]	1.65%	1.69%	1.67%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[≈]			
Highest unit price	130.92	126.83	115.79
Lowest unit price	114.78	109.61	95.18

Class 5 Income	2016 p per unit	2015 p per unit	2014* p per unit
Change in net assets per unit			
Opening net asset value per unit	111.65	104.51	100.00
Return before operating charges [†]	7.73	11.48	7.80
Operating charges	(1.49)	(1.52)	(1.30)
Return after operating charges [†]	6.24	9.96	6.50
Distributions on income units	(2.47)	(2.82)	(1.99)
Closing net asset value per unit	115.42	111.65	104.51
Retained distributions on accumulation units	–	–	–
[†] after direct transaction costs of	(0.08)	(0.07)	(0.06)
Performance			
Return after charges	5.59%	9.53%	6.50%
Other information			
Closing net asset value (£000)	41,265	41,471	1
Closing number of units	35,752,355	37,142,689	573
Operating charges (%) [‡]	1.30%	1.34%	1.32%
Direct transaction costs (%) [#]	0.07%	0.06%	0.06%
Prices[≈]			
Highest unit price	119.45	118.27	110.97
Lowest unit price	111.05	108.43	103.87

* From 15 November 2013 (date of launch) to 31 May 2014.

‡ 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.

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.

Ongoing Charges Figure

Unit	OCF* 31.05.16	OCF* 31.05.15	PER** 31.05.16	PER** 31.05.15
Class 1	1.37%	1.37%	0.63%	0.67%
Class 2	0.74%	0.74%	0.63%	0.67%
Class 4	1.02%	1.02%	0.63%	0.67%
Class 5	0.67%	0.67%	0.63%	0.67%

* 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 year. The OCF is made up of the Annual Management Charge and other operating costs deducted from the assets of the Trust during the year, 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 year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 31 May 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Property Related Assets (6.99%; 2015 6.72%)				
British Land	GBP	4,712,924	35,512	1.92
Derwent London	GBP	236,846	7,882	0.43
Great Portland Estates	GBP	965,110	7,320	0.39
Hammerson	GBP	2,004,944	11,679	0.63
Hansteen	GBP	4,028,143	4,213	0.23
Land Securities	GBP	2,221,767	26,128	1.41
Londonmetric Property	GBP	2,325,876	3,824	0.21
Newriver Retail	GBP	2,175,575	6,918	0.37
Safestore	GBP	1,759,160	6,117	0.33
Segro	GBP	2,523,036	11,046	0.60
St. Modwen Properties	GBP	1,316,096	4,293	0.23
Urban and Civic	GBP	1,750,000	4,463	0.24
Total property related assets			129,395	6.99

Direct Properties (83.77%; 2015 80.24%)**Market values up to £92,000,000**

Development Land, Dyce Drive, Aberdeen	GBP
35 Argyle Street, Glasgow	GBP
Premier Percussion House, Blaby Road, Wigston, Leicester	GBP
Unit 4A Dennis Way, Slyfield Industrial Estate, Guildford	GBP
198 & 200-201 High Street, 20 Waterbeer Street, Exeter	GBP
90 & 92 Queen Street, Cardiff	GBP
11 Broadmoor Road, Southmarston Business Park, Swindon	GBP
Sainsbury's, 52-55 Friar St & 12 Greyfriar's Road, Reading	GBP
Units A & B, Teliske Industrial Estate, Treliske, Truro	GBP
Stanstead Road Industrial Estate, Goodward Road, Eastleigh	GBP
Orbital 7, Orbital Park, Cannock	GBP
Kew Retail Park, Southport	GBP
Alfreds Way Industrial Estate, Alfreds Way, Barking	GBP
Aberdeen Business Park, Aberdeen	GBP
Castle Bromwich Business Park, Birmingham	GBP
1-31 King Edward St, 39-55 Jameson St, 2-50 Paragon St, Kingston-Upon-Hull	GBP
8 India Street, London, EC3N	GBP
Leisure Complex, Exchange Street, Aylesbury	GBP
Boyatt Wood Industrial Estate, Goodward Road, Eastleigh	GBP
Victoria Road, South Ruislip, London	GBP
MAN Truck & Business Unit, Ashurton Road West, Trafford Park	GBP
Beddington Industrial Estate, Beddington Lane, Croydon	GBP
Longus House, 40-48 Eastgate Street, Chester	GBP
Interpoint, 22 Haymarket Yards, Edinburgh	GBP
London Road Retail Park, London Road, Maidstone	GBP
St James Gate, Office Block 1, Newcastle	GBP
Guiseley Retail Park, Leeds	GBP
Cheetham Hill Retail Park, Cheetham Hill, Manchester	GBP
Burlington Rd Retail Park, New Malden	GBP
Skyline 120, Avenue West, Braintree	GBP
Units D & E Knaves Beech, High Wycombe	GBP
Central Studios, Reading, Berkshire	GBP
Specialist Vehicles Ltd, Slyfield Industrial Estate, Dennis Way, Guildford	GBP
B&Q Warehouse, Brandon Way, Coventry	GBP
Knaves Beech Industrial Estate, High Wycombe	GBP
City Park, Watchmead, Welwyn Garden City	GBP
The Entertainer Warehouse, Noral Way, Banbury	GBP
Jurys Inn Hotel, South Shore Road, Gateshead, Tyne and Wear	GBP
The Pavilion Centre, Brighton	GBP
Ty Glass Shopping Park, Cardiff	GBP
Instore Distribution Facility, Trident Business Park, Neptune Way, Huddersfield	GBP
Debenhams Store, Queens Buildings, Queens Way, Southampton	GBP
Units A and C Prologis Park, Beddington Lane, Croydon	GBP

PORTFOLIO STATEMENT (CONTINUED)

As at 31 May 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
66-72 Queen Square, Bristol	GBP			
Broadway Plaza, Fiveways, Birmingham	GBP			
The Precinct, Coventry	GBP			
Waterside House, Waterside Park, Longshot Lane, Bracknell	GBP			
Units 1-5, Spurriergate & Units 1-3 High Ousegate, York	GBP			
21 New Street & 6-7 Cock Hill, London	GBP			
123 St Vincent Street, Glasgow	GBP			
Collegelands, Block C, Havannah Street, Glasgow	GBP			
Corn Exchange, Exchange Square, Manchester	GBP			
Abacus House, 33 Gutter Lane, London, EC2V	GBP			
Tesco Superstore, Carina Road, Kettering Business Park	GBP			
Colmore Gate, 2-6 Colmore Row, Birmingham	GBP			
Guildhall Shopping Centre, Exeter	GBP			
Lombardy Retail Park, Hayes	GBP			
Ealing Cross, 85 Uxbridge Road, London W5	GBP			
20 Soho Square, London, W1	GBP			
Omni Centre, Greenside Place, Edinburgh	GBP			
Total market values up to £92,000,000			1,549,400	83.77
Total direct properties			1,549,400	83.77
Adjustments for lease incentives			(7,380)	(0.40)
Total direct properties after adjustments			1,542,020	83.37
Liquidity Funds 9.40% (12.34%)¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP ⁺	GBP	173,800,000	173,800	9.40
Liquidity funds total			173,800	9.40
Investment assets ²			1,845,215	99.76
Net other assets			4,458	0.24
Net assets			1,849,673	100.00

The comparative figures are as at 31 May 2015.

⁺ Investment managed by a related party.¹ Cash equivalents.² Includes cash equivalents.

STATEMENT OF THE AUTHORISED 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 31 May 2016.

- 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
28 September 2016

DIRECTORS' STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Property Trust for the year ended 31 May 2016 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
28 September 2016

VALUER'S REPORT TO THE UNITHOLDERS

We confirm that we have valued the immovables of Aviva Investors Property Trust as at 31 May 2016 in accordance with the regulations and the Statements of Asset Valuation and Guidance Notes published by the Royal Institution of Chartered Surveyors. The reported figure represents the sum of the open market values of those individual immovables.

Each property is inspected by us at the time of purchase and subsequently at least once each year. We are of the opinion that, as at 31 May 2016, the aggregate of the open market value of the immovables of Aviva Investors Property Trust was £1,542,020,000.

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

Knight Frank LLP
Chartered Surveyors, London
28 September 2016

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

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Aviva Investors Property Trust's financial statements, (the "financial statements"):

- give a true and fair view of the financial position of the Trust as at 31 May 2016 and of the net revenue, net capital gains and net cash outflows of the scheme property of the Trust for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

WHAT WE HAVE AUDITED

The financial statements, which are prepared by Aviva Investors UK Fund Services Limited (the "Authorised Fund Manager"), comprise:

- the balance sheet as at 31 May 2016;
- the statement of total return for the year then ended;
- the statement of change in net assets attributable to unitholders for the year then ended;
- the cash flow statement for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information; and
- the distribution tables

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In applying the financial reporting framework, the Authorised Fund Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINIONS ON MATTERS PRESCRIBED 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; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

PROPRIETY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Collective Investment Schemes sourcebook we are 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.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE AUTHORISED FUND MANAGER

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 12, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2016

a) The maintenance and integrity of the Aviva Investors website is the responsibility of the Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF TOTAL RETURN

For the year ended 31 May 2016

	Notes	£000	Year ended 31.05.16 £000	£000	Year ended 31.05.15 £000
Income					
Net capital gains	4		60,131		109,204
Revenue	5	87,081		87,979	
Expenses	6	(37,823)		(36,547)	
Net revenue before taxation		49,258		51,432	
Taxation	7	(10,774)		(9,037)	
Net revenue after taxation			38,484		42,395
Total return before distributions			98,615		151,599
Distributions	8		(37,688)		(41,833)
Change in net assets attributable to unitholders from investment activities			60,927		109,766

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 May 2016

	£000	Year ended 31.05.16 £000	£000	Year ended 31.05.15 £000
Opening net assets attributable to unitholders		1,975,419		1,643,906
Amounts receivable on issue of units	17,254		209,518	
Amounts payable on cancellation of units	(221,592)		(6,281)	
		(204,338)		203,237
Change in net assets attributable to unitholders from investment activities (see above)		60,927		109,766
Retained distribution on accumulation units		17,635		18,500
Unclaimed distribution monies		30		10
Closing net assets attributable to unitholders		1,849,673		1,975,419

BALANCE SHEET

As at 31 May 2016

	Notes	As at 31.05.16 £000	Restated* As at 31.05.15 £000
Assets:			
Investments		1,671,415	1,717,844
Current assets:			
Debtors	10	19,235	14,811
Cash and bank balances	11	33,834	44,537
Cash equivalents	12	173,800	243,700
Total assets		1,898,284	2,020,892
Liabilities:			
Provision for liabilities		(7,321)	(6,218)
Creditors:			
Distribution payable		(8,938)	(12,673)
Other creditors	13	(32,352)	(26,582)
Total liabilities		(48,611)	(45,473)
Net assets attributable to unitholders		1,849,673	1,975,419

* Refer to the accounting policies note on page 19.

CASH FLOW STATEMENT

For the year ended 31 May 2016

	Notes	£000	Year ended 31.05.16 £000	£000	Year ended 31.05.15 £000
Net cash inflow from operating activities	20		46,083		53,794
Servicing of finance					
Distributions paid			(22,540)		(26,304)
Taxation					
Taxation paid			(10,158)		(9,150)
Financial investments					
Purchases of investments		(42,294)		(335,865)	
Sales of investments		180,133		143,070	
Capital expenditure		(37,079)		(38,698)	
			100,760		(231,493)
Financing					
Unclaimed distribution monies		30		10	
Amounts received on issue of units		22,298		219,843	
Amounts paid on cancellation of units		(217,076)		(7,812)	
			(194,748)		212,041
Decrease in cash in the year			(80,603)		(1,112)
Net cash and cash equivalents at the start of the year			288,237		289,349
Net cash and cash equivalents at the end of the year			207,634		288,237

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Management Association (IMA (now the 'The Investment Association')) in May 2014 (SORP 2014), which supersedes the Statement of Recommended Practice of Authorised Funds issued by the IMA in October 2010 (SORP 2010), and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Both of which became effective for the accounting periods commencing 1 January 2015.

There have been no changes to the financial position or financial performance of the Trust as a result of the above changes. However, certain comparative items have been restated in the Financial Statements, as a result of the above changes.

Balance Sheet

The Deferred tax liabilities of £6,218,000 are now disclosed within 'Provisions' in the Balance Sheet, whereas under SORP 2010 this was disclosed within 'Creditors'.

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.

The cost of any up front lease incentives offered is recognised as an expense and allocated over the shorter of the lease term or the period until the first rent review date. Any amount reported in the balance sheet as 'rent free debtor' and 'lease incentives' is also deducted from the fair value of the properties.

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 year.

Direct properties

Direct properties have been valued at open market value on the last business day of the accounting year 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 year ended 31 May 2016, the open market value of the properties has been reduced by £7,380,000 (2015: £5,027,000).

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 IMA 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 year ended 31 May 2016 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 pages 29 and 30.

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 31 May 2016, the Trust had around 17% 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 current 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 27.

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

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
The net gains on investments during the year comprise:		
Direct properties	69,145	90,211
Expenses relating to the purchases and sale of investments	–	(2)
Forward currency contracts	(652)	–
Property related securities	(8,362)	18,995
Net capital gains*	60,131	109,204

* Total realised losses for the year were £17,250,000 (2015: £57,991,000) and the movement in unrealised gains was £42,881,000 (2015: £167,195,000). Included in realised gains for the year were unrealised gains/(losses) recognised in previous periods.

5 Revenue

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
Bank and deposit interest	997	885
Overseas dividends	44	–
Property income distributions	2,851	2,253
Rental revenue	82,106	84,273
Stock dividends	–	493
UK dividends	1,083	75
Total revenue	87,081	87,979

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Expenses

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
Payable to the Manager, associates of the Manager or agents of either of them:		
Manager's periodic charge	17,880	18,074
Registration fees	2,023	1,874
	19,903	19,948
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	108	95
Safe custody fee	21	31
	129	126
Other expenses:		
Audit fee*	44	43
Bad debts written off	1,690	1,137
Head rent	828	834
Insurance	417	492
Interest payable	1	–
Lease incentives	3,450	2,800
Maintenance costs	2,081	560
Marketing costs	84	36
Non-recoverable expenses	1,548	(127)
Printing and postage expenses	16	10
Professional fees	576	2,812
Statement fees	75	66
Valuer's fees	248	203
Void rates	4,165	4,671
Void service charge costs	2,568	2,936
	17,791	16,473
Total expenses	37,823	36,547

* The audit fee was £36,554 (2015: £35,875) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Taxation**a Analysis of tax charge in the year**

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
Corporation tax	9,671	10,179
Adjustments in respect of prior periods	–	(470)
Total current tax for the year (see note 7.b)	9,671	9,709
Deferred tax	1,103	(672)
Total deferred tax for the year (see note 7.c)	1,103	(672)
Total tax charge	10,774	9,037

b Factors affecting current tax charge

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for an Authorised Investment Trust (20%) (2015: 20%).

The differences are explained below:

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
Net revenue before taxation	49,258	51,432
Corporation tax at 20%	9,852	10,286
Effects of:		
Adjustments re capital allowance claimed	(1,091)	(746)
Expenses not deductible for tax purposes	1,136	752
UK dividends not subject to corporation tax	(217)	(15)
Overseas dividends not subject to corporation tax	(9)	–
Stock dividends not taxable	–	(98)
Prior year adjustment re capital allowances claimed	–	(470)
	(181)	(577)
Current tax charge (see note 7.a)	9,671	9,709

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

c Deferred tax

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
The deferred tax provision is made up as follows:		
Capital allowances	7,321	6,218
Provision at start of the year	6,218	6,890
Credit for the year	1,103	(672)
Provision at end of the year	7,321	6,218

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Distributions

	Year ended 31.05.16 £000	Year ended 31.05.15 £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	17,935	20,220
Final distribution	18,504	22,523
	36,439	42,743
Add: Revenue deducted on cancellation of units	1,303	69
Deduct: Revenue received on issue of units	(54)	(979)
Distributions	37,688	41,833
Reconciliation of net distribution for the year to net revenue after taxation		
Distributions for the year	37,688	41,833
Capital allowances in current year	1,091	746
Deferred tax in relation to capital allowances	–	207
Equalisation on conversions	(295)	(391)
Net revenue after taxation	38,484	42,395

Details of the distribution per unit are set out in the distribution tables on pages 29 and 30.

9 Fair value hierarchy

	As at 31.03.16 Assets £000	As at 31.03.15 Assets £000
Quoted prices for identical instruments in active markets	129,395	132,816
Valuation techniques using non-observable market data	1,715,820	1,585,028
Total value	1,845,215	1,717,844

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities.

The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority is given to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Quoted prices for identical instruments in active markets – Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions for the same financial instrument on an arm's length basis. For this purpose a quoted price is a price at which the party performing the fair value measurement can enter into a transaction. Therefore the price must be binding on the party providing the quote.

Prices of recent transactions for identical instruments – When quoted prices are unavailable, the price of a recent transaction for an identical instrument provides evidence of fair value as long as the transaction is orderly and there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques using observable market data – Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable data should be observable for substantially the full term of the instrument.

Valuation techniques using non-observable data – Non-observable entity specific data should be used only where relevant observable market data is not available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Debtors

	As at 31.05.16 £000	As at 31.05.15 £000
Accrued revenue	152	181
Current property capital debtor	1,500	324
Current property revenue debtor	12	1,145
Lease incentives	1,361	1,893
Managing agent or other property debtor	10,191	8,134
Rent free debtor	6,019	3,134
Total debtors	19,235	14,811

11 Cash and bank balances

	As at 31.05.16 £000	As at 31.05.15 £000
Cash and bank balances	33,834	44,537

12 Cash equivalents

	As at 31.05.16 £000	As at 31.05.15 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	173,800	243,700
Total cash equivalents	173,800	243,700

13 Other Creditors

	As at 31.05.16 £000	Restated* As at 31.05.15 £000
Accrued expenses	3,233	1,751
Amounts payable for cancellation of units	10,809	–
Corporation tax payable	4,557	5,044
Current property capital creditor	134	4,760
Current property revenue creditor	12,326	14,105
VAT net payable account	1,293	922
Total creditors	32,352	26,582

* Refer to the accounting policies note on page 19.

14 Contingent liabilities and commitments

As at the year end, £54m expenditure was legally committed across numerous properties (2015: £30m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 year end in respect of management charges and registration fees were £2,730,000 (2015: £1,451,000) and £320,000 (2015: £158,000) 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 year end in respect of these transactions was £31,000 (2015: £20,000).

As at 31 May 2016 the Manager and related parties of the Manager held 19.25% (2015: 11.86%) of the units in the Trust and the amount of income receivable from the Trust in the year was £6,514,000 (2015: £4,843,000). The amount due to the Manager and related parties of the Manager at the year end was £3,585,000 (2015: £2,487,000).

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 year amounted to £308,900,000 (2015: £nil) and £132,400,000 (2015: £nil) respectively. The income received during the year amounted to £546,000 (2015: £nil).

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

	Holdings at 31.05.16 (units)	Movement (units)	Holdings at 31.05.15 (units)
The Manager and related parties	281,912,760	89,673,994	192,238,766

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 and 9. The distribution per unit is given in the distribution tables on pages 29 and 30. All the unit classes have the same rights on winding up.

17 Units in issue reconciliation

	Number of units in issue at 31.05.15	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue at 31.05.16
Class 1 income	387,796,434	1,043,809	(43,376,219)	(115,081,337)	230,382,687
Class 1 accumulation	280,295,402	261,849	(19,296,508)	(31,439,460)	229,821,283
Class 2 income	555,872,412	1,573,310	(87,084,732)	34,878,251	505,239,241
Class 2 accumulation	359,970,304	11,031,927	(35,677,881)	127,838,977	463,163,327
Class 4 income	99,945	–	–	(31,388)	68,557
Class 4 accumulation	346,779	–	–	(194,992)	151,787
Class 5 income	37,142,689	8,570	(318,780)	(1,080,124)	35,752,355

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 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 (2015: 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 31 May 2016 was:

Currency 31.05.16	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	207,634	–	100,019	1,542,020	1,849,673

Currency 31.05.15	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	288,237	–	102,154	1,585,028	1,975,419

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 year end date, 6.99% (2015: 90.18%) 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 0.7%.

19 Portfolio transaction costs

	£000	Year ended 31.05.16 £000	£000	Year ended 31.05.15 £000
Analysis of total purchase costs				
Purchases in year before transaction costs*		395,180		380,147
Commissions	–		41	
Other (including capital development expenditure)	–		137	
Total purchase costs		–		178
Gross purchases total		395,180		380,325
Analysis of total sales cost				
Gross sales before transaction costs**		325,381		149,319
Agents fees	(348)		(618)	
Legal fees	(203)		(145)	
Total sale costs		(551)		(763)
Total sales net of transaction costs		324,830		148,556

* Includes purchases of £86,280,000 (2015: £380,325,000) in property related assets.

** Includes sales of £192,981,000 (2015: £148,556) in property related assets.

Dealing spread

As at 31 May 2016, the average portfolio dealing spread on Property Related Assets was 0.10% (2015: 0.01%). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	Year ended 31.05.16 £000	Year ended 31.05.15 £000
Net revenue before taxation	49,258	51,430
Increase in debtors	(3,248)	(929)
Increase in creditors	73	3,293
Net cash inflow from operating activities	46,083	53,794

21 Post balance sheet events

After the year end, all dealing in the Trust was suspended with effect from 12 noon on 4 July 2016. Please see page 2 for further details.

After the year end, following the EU referendum result, the frequency of valuations by a standing independent valuer was increased from monthly to weekly (or such other increased frequency as the Manager considers appropriate) until such time as the Manager may determine.

As a result of the suspension of dealing in the Trust, the conversion of the Trust to a Property Authorised Investment Fund, which was scheduled for 15 July 2016, has been temporarily postponed. A new conversion date will be advised in due course.

DISTRIBUTION TABLES

Final distribution payable in pence per unit for the six months ended 31 May 2016

Income units		Net revenue	Equalisation	Final distribution payable 31 July 2015	Final distribution paid 31 July 2015
Class 1	Group 1	0.9866	–	0.9866	1.1737
	Group 2	0.5229	0.4637	0.9866	1.1737
Class 2	Group 1	1.2266	–	1.2266	1.3643
	Group 2	0.6475	0.5791	1.2266	1.3643
Class 4	Group 1	1.1049	–	1.1049	1.2406
	Group 2	0.5884	0.5165	1.1049	1.2406
Class 5	Group 1	1.3057	–	1.3057	1.4439
	Group 2	0.5766	0.7291	1.3057	1.4439

Accumulation units		Net revenue	Equalisation	Final distribution payable 31 July 2016	Final distribution paid 31 July 2015
Class 1	Group 1	1.4570	–	1.4570	1.6505
	Group 2	0.7771	0.6799	1.4570	1.6505
Class 2	Group 1	1.3421	–	1.3421	1.4500
	Group 2	0.7096	0.6325	1.3421	1.4500
Class 4	Group 1	1.1784	–	1.1784	1.3138
	Group 2	0.5407	0.6377	1.1784	1.3138

Group 1 units are those units purchased at or before 12:00 noon on 30 November 2015.

Group 2 units are those units purchased after 12:00 noon on 30 November 2015.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per unit for the six months ended 30 November 2015

Income units		Net revenue	Equalisation	Interim distribution paid 31 January 2016	Interim distribution paid 31 January 2015
Class 1	Group 1	0.8779	–	0.8779	1.1131
	Group 2	0.5640	0.3139	0.8779	1.1131
Class 2	Group 1	1.0998	–	1.0998	1.3011
	Group 2	0.5610	0.5388	1.0998	1.3011
Class 4	Group 1	0.9712	–	0.9712	1.1833
	Group 2	0.4788	0.4924	0.9712	1.1833
Class 5	Group 1	1.1685	–	1.1685	1.3797
	Group 2	0.4905	0.6780	1.1685	1.3797

Accumulation units		Net revenue	Equalisation	Interim distribution paid 31 January 2016	Interim distribution paid 31 January 2015
Class 1	Group 1	1.2469	–	1.2469	1.5523
	Group 2	0.5098	0.7371	1.2469	1.5523
Class 2	Group 1	1.1862	–	1.1862	1.3672
	Group 2	0.5528	0.6334	1.1862	1.3672
Class 4	Group 1	0.9645	–	0.9645	1.2393
	Group 2	0.6423	0.3222	0.9645	1.2393

Group 1 units are those units purchased at or before 12:00 noon on 31 May 2015.

Group 2 units are those units purchased after 12:00 noon on 31 May 2015.

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.

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. If this is the case, we may suspend dealing in the Trust. Please see page 2 for details in relation to the current suspension of the Trust.

Changes To FCA Rules On Delivery Versus Payment (DVP) Exemption From 1 June 2015

The FCA's Client Assets regulations require that we protect money belonging to investors in a dedicated client money account to ensure it is not used for our own account and that it is safe in the unlikely event we become insolvent. Changes have been made to the rules we follow to improve the protection given to investors' money while it is not invested. For money held in relation to a direct investment in a collective investment scheme provided by Aviva Investors UK Fund Services Limited, the FCA grant an exemption, known as the Delivery Versus Payment (DVP) exemption, from the regulations requiring protection at all times.

We previously made use of this exemption which means that we had three business days to deal with investors' money in accordance with their instructions before having to transfer it to a protected client money account.

From 1 June 2015, the maximum period during which we were allowed to hold investors' money in a non-client money account under the DVP exemption was reduced from three business days to one business day.

We adopted this reduction early and from April 2015 the maximum period that uninvested money was held in non-protected accounts is one business day, unless the investment is settled via a Commercial Settlement System (such as EMX or Clearstream) in which case it will continue to be three business days. For further details please refer to the Prospectus.

Significant Information

There have been three pricing basis changes on the Trust since 31 May 2015:

On 13 July 2015, the Manager switched the Trust from an offer-price basis to a bid-price basis following a period of investor cash flows out of the Trust.

On 7 December 2015, the Manager switched the Trust from a bid-price basis to an offer-price basis following a period of investor cash flows into the Trust.

On 14 December 2015, the Manager switched the Trust from an offer-price basis to a bid-price basis following a period of investor cash flows out of the Trust.

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.

Regular Savings Mandates set up before 31 December 2012

From 13 April 2016, the Manager has discounted the initial charge in full on all future investment made in the Trust through regular investment mandates set up before 31 December 2012.

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 2015 (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:	£2.9m	£3.4m
Of which, Fixed Remuneration	38%	35%
Variable Remuneration	53%	55%
Pension/Benefits	9%	10%
Number of Code staff:	7	6

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.

