

Aviva Investors

Property Investment

August 2010

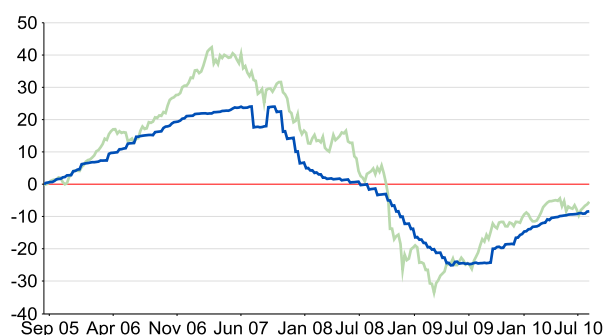


Fund aim

The investment objective of the Scheme is to obtain a consistent income return, with some capital appreciation through investment principally in real property with exposure to investments including bonds, government and other public securities, and units in collective investment schemes. Please see the Simplified Prospectus for further details of what it will primarily invest in to achieve this objective.

Past performance

Percentage Change Total Return, Tax UK Net, Charges Applied, In GBP



— Aviva Investors Property Investment Fund — IMA Property

Source: Lipper Hindsight, performance data up to 31/07/2010, bid to bid, net income reinvested.

	3m	6m	1yr	3yr	5yr
Fund (%)	1.6	5.4	21.2	-22.1	-8.4
IMA sector average (%)	-1.9	5.9	18.9	-27.0	-5.7

Source: Lipper Hindsight, performance data up to 31/07/2010, bid to bid, net income reinvested.

Year on year performance

	30/06/05 30/06/06	30/06/06 29/06/07	29/06/07 30/06/08	30/06/08 30/06/09	30/06/09 30/06/10
Fund (%)	17.3	7.9	-19.5	-24.5	20.9
IMA sector average (%)	18.6	14.5	-21.8	-27.5	20.7

Source: Lipper Hindsight, performance data up to 31/07/2010, bid to bid, net income reinvested.

Past performance is not a guide to the future. Investment decisions should not be based on short term performance. The figures do not include the effect of the initial charge and any redemption fees.

Find out more

Call: 0800 051 2003
Web: www.aviva.co.uk

Telephone calls may be recorded for training purposes. Calls are free from BT landline. Call charges may vary from mobiles and other networks.

Fund manager

Philip Nell

Manager of this fund since September 2007



Fund manager report

UK commercial property delivered positive returns again during the month though the rate of recovery has continued to slow in response to heightened financial and economic uncertainty, as well as diminished value in the property market following the sharp recovery since the middle of last year. In addition debt availability - often a key driver of the market - is still very constrained. We are probably on the threshold of a period of below-average returns for the market as a whole. Even though there are growing signs that the worst of the occupier market downturn is behind us across all sectors, Central London offices are the only major sector currently enjoying rental growth. For other sectors, the resumption of rental growth does not look likely before 2011. We therefore expect below returns through the latter part of 2010 and into 2011, with strong returns expected for 2012 and 2013 as the rental recovery broadens out across the market. On a medium-term view, we continue to expect robust returns from real estate.

Any opinions expressed are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature.

Fund information (31/07/2010)

Fund size	£198.2m
Fund launch date	24/03/2003
Initial charge	5.00%
Annual charge	1.25%
Benchmark	IPD Balanced Monthly Index Funds
IMA sector	Property
Historic yield	5.3% (31/07/2010)

The Historic Yield reflects distributions declared over the past year as a percentage of the share / unit price, on the date shown. This does not include Initial charges and investors may be subject to further tax on their distributions. The fund's expenses are charged to capital. This has the effect of increasing the distributions for the year by 1.78 percentage points and constraining the fund's capital performance to an equivalent extent.

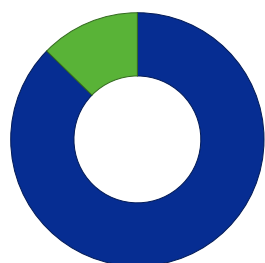
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Asset allocation



■ Property
■ Cash and Equivalents

87.3%
12.7%

Source: Aviva Investors as at 31/07/2010

UK regional breakdown

Cash and Equivalents	12.7%
London	13.6%
South East	18.2%
East & South West	9.5%
Midlands & Wales	18.4%
North & Scotland	27.6%

Source: Aviva Investors as at 31/07/2010

Property sectors

Office	44.9%
Retail	27.0%
Industrial	15.4%
Cash and Equivalents	12.7%

Source: Aviva Investors as at 31/07/2010

Top 10 holdings

Bedford Row, London WC1 (office)
Red Lion Street, London W1 (office)
Nethergate Centre, Dundee (office)
Grampian House, Aberdeen (office)
Bards Walk, Stratford Upon Avon (retail)
North Ayres Retail Park (retail warehouse)
Gemini 8, Taurus, Warrington (industrial)
The Lawn & Mulberry House, Newbury (office)
Focus DIY, Winnersh (retail warehouse)
Homebase, Barnstaple (retail warehouse)

Source: Aviva Investors as at 31/07/2010

Risk summary

Further information about the risks that apply when investing can be found in the Simplified Prospectus. This is available free of charge on request. The value of the fund and any income from it is not guaranteed and may fall as well as rise. You may get back less than you originally invested. You may not be able to cash in your investment when you want because property in the trust can't easily be converted to cash. If this is the case, we may have to suspend dealing meaning we cannot carry out your request to cash in your shares. The valuation of property is generally a matter of valuer's opinion rather than fact. Property may sell for less than valued which would reduce the fund value. Funds that invest in property related securities (equities) can provide high returns over the medium to long-term, but such returns will be subject to greater rises and falls than investing in lower-risk assets.