

AVIVA INVESTORS PROPERTY FUNDS ICVC

Annual Report and Financial Statements

For the year ended 30 September 2016

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

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

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

Aviva Investors UK Fund Services Limited (the ACD) is a wholly owned subsidiary of Aviva Investors Holdings Limited, a company incorporated in the United Kingdom and within the Aviva Group of Companies. The ACD is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority.

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

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

DIRECTORS

I Buckle
E Potter (resigned 19 October 2015)
J Misselbrook
D Dahan (resigned 31 March 2016)
S Ebenston
C Abrahams (resigned 31 December 2015)
A Brown (appointed 2 February 2016, resigned 22 July 2016)
M Craston (appointed 22 March 2015)
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 MANAGER

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

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

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

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

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

DEPOSITARY

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

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

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.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

PricewaterhouseCoopers LLP have been reappointed as auditors of the Company.

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

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

With effect from 23 December 2015, the independent property valuer for the Aviva Investors European Property Fund was changed to CBRE Limited. Prior to this date, the independent property valuer was Jones Lang LaSalle Limited.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

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

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

The Company has an umbrella structure which means that it may contain more than one Fund, each with a different investment objective. There are currently two Funds in the Aviva Investors Property Funds ICVC; the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund. In the financial statements you will find an investment review for each Fund which includes details of the investment objectives.

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

AUTHORISED STATUS

From 2 May 2008 the Company was authorised as an Open-Ended Investment Company under Regulation 12 of the Open-Ended Investment Companies Regulations 2001.

The Company is authorised to operate as a "Non-UCITS Retail Scheme" for the purposes of the COLL Sourcebook and as an Authorised Investment Fund (AIF) for the purposes of the FUND Sourcebook. These sourcebooks form part of the regulatory handbook issued by the Financial Conduct Authority (FCA).

THE FINANCIAL STATEMENTS

We are pleased to present the annual report and financial statements of the Company for the year ended 30 September 2016. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the period. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding any Annual General Meetings.

SIGNIFICANT INFORMATION

As advised in a letter to investors dated 20 July 2015, dealing in the Aviva Investors Asia Pacific Property Fund was suspended after the midday valuation on 20 July 2015. The two largest investors in the Fund (representing over 75% of the Fund's value) advised the ACD that they wished to withdraw their investment in full. This would have required the sale of the majority of properties in the Fund with adverse consequences for the diversity of investments and economies of scale achievable by the Fund. It was decided that it was in the best interests of all the investors to close the Fund. Following the suspension of dealing and the investor notification, the Fund commenced termination on 21 August 2015. As advised in the investor letter, proceeds will be returned to the investors (or switched into other Aviva Investors funds, depending on investors' instructions) in stages as properties are sold and cash becomes available. The first redemption payment (or switch) was made to investors on 7 September 2015, the second redemption payment (or switch) was made on 1 February 2016, the third redemption payment (or switch) was made on 21 March 2016, the fourth redemption payment was made on 30 June 2016 and the fifth redemption payment (or switch) was made on 2 September 2016.

As advised in a letter to investors dated 8 December 2015, dealing in the Aviva Investors European Property Fund was suspended after the midday valuation on 8 December 2015. The Fund has been experiencing challenges over the past few years in relation to net outflows, liquidity, risk and performance. In addition to this, the largest investor in the Fund (representing circa 71% of the Fund's value) advised the ACD that they wished to withdraw their investment in full. This would have required the sale of the majority of properties in the Fund with adverse consequences for the diversity of investments and economies of scale achievable by the Fund. It was decided that it was in the best interests of all the investors to close the Fund. Following the suspension of dealing and the investor notification, the Fund commenced termination on 21 January 2016. As advised in the investor letter, proceeds will be returned to the investors (or switched into other Aviva Investors funds, depending on investors' instructions) in stages as properties are sold and cash becomes available. The first redemption payment (or switch) was made on 8 February 2016.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

SIGNIFICANT INFORMATION (CONTINUED)

FATCA AND CRS REPORTING

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

Remuneration

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

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

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 30 September 2016.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (IMA) (now 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 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. These restatements are detailed within the Notes to the Financial Statements for each individual Fund.

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

b Consolidation

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

c Share classes

The Funds have two types of share classes; retail shares (classes A and R) and institutional shares (class I). Each class bears different charges and consequently the level of income allocated to each share class will differ. Share class R consists of income shares only. Share classes A and I consist of both income and accumulation shares. Some share classes are priced in currencies other than Sterling.

d Recognition of revenue

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

The cost of any up front lease incentives offered are recognised as a reduction in rental income and allocated over the full term of the lease. Any amount reported in the balance sheet as 'accrued rent receivable' is also deducted from the fair value of the properties.

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

e Basis of valuation of investments

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.

f Property purchases and sales

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

g Exchange rates

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

h Taxation and deferred taxation

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

i Cash flow statement

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

j Cash and cash equivalents

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

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate any surplus net revenue after taxation arising from the consolidated financial statements of each Fund will be paid as a revenue distribution or accumulation to capital. Accordingly at any time there may be excess net revenue in each Fund which cannot be distributed.

The Funds are more than 60% invested in qualifying investments and have proposed an interest distribution. Full details of the distributions are set out in the distribution tables.

POLICIES AND RISKS (CONTINUED)

DISTRIBUTION POLICIES (CONTINUED)

b Treatment of management expenses

All expenses, with the exception of fund set-up costs, the purchase and sale of investments and stamp duty reserve tax, are charged against revenue. For the purposes of the distribution, the ACD's periodic charge of the Aviva Investors Asia Pacific Property Fund is charged to capital. Where management expenses are borne by capital they are not deducted in determining the distribution. To take account of the relief obtained in respect of charging the ACD's periodic charge of the Aviva Investors Asia Pacific Property Fund to capital, a notional tax charge is deducted from the revenue account and a corresponding tax credit is added to the capital account.

As both Funds are being closed, the estimated costs of selling the properties and for closing the Fund have been charged to capital and are separately disclosed within Other creditors on page 21.

c Treatment of development and acquisition expenses

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

FINANCIAL INSTRUMENTS

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

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

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

a Foreign currency risk

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

b Interest rate risk

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

c Market risk

There is a risk that a property might be sold for a different value to the Independent Valuer's valuation, due to market conditions being different to the valuer's assumptions. The Manager ensures that the valuer is independent, holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. Further information on the investment portfolios is set out in the investment reports and portfolio statements, of the individual Funds.

d Liquidity risk

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

AVIVA INVESTORS ASIA PACIFIC PROPERTY FUND

INVESTMENT OBJECTIVE

To seek income and long term capital appreciation.

INVESTMENT APPROACH

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

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

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

FUND MANAGER'S REPORT

FUND PROFILE AND PORTFOLIO REVIEW

Total assets under management as at 30 September 2016 were £45.8 million.

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

The Fund is in the process of distributing the proceeds of the Fund's properties to investors, it is also in the process of liquidating the entities which were incorporated to hold the properties in the respective countries, following which a final payment will be made to investors.

ECONOMIC BACKGROUND FOR ASIA PACIFIC REAL ESTATE

The economic outlook for the region remains downbeat due to persistently sluggish global trade. Nonetheless, concerns emanating from China's economic slowdown have subsided slightly as signs are emerging of growth stabilisation. The Aviva Investors house view is that authorities in China will prioritise growth in the near term above structural reform, delivering a controlled transition to lower growth. The economy appears to be responding well to earlier policy stimulus, however we are concerned about a build up of medium term risks given the rapid growth in credit markets.

We believe the transition towards a service economy in China will be beneficial to commercial real estate investment in the long term. We favour top tier markets such as Beijing, Shanghai and Shenzhen which offer higher transparency and already benefit from relatively mature service sector economies. The Hong Kong retail market remains in a period of rental correction and is not expected to recover until 2018. Singapore offices are also forecast to see rental decline over the next twelve months before stabilising.

Over 2016 core Australian has been the destination of a significant flow of foreign capital. Despite pricing looking expensive by historical standards, the yields on offer in markets such as Sydney and Melbourne continue to look attractive to those investors hunting for yield. Household consumption remains resilient but concerns are growing over the state of the housing market, especially considering the large supply pipeline on the horizon. Business investment has yet to recover after the end of the commodities boom which has depressed the outlook for rental growth recovery in Perth. The Brisbane economy is slowly turning a corner but remains far behind that of Victoria and New South Wales. We believe Brisbane is better poised for a cyclical growth strategy than Perth at this moment in time.

Arguably the biggest development over the third quarter of 2016 comes from Japan. The Bank of Japan appears to have conceded the limitations of further monetary expansion. The central bank has instead committed to influencing the shape of the yield curve, targeting the ten year sovereign bond yield at around zero percent and maintaining whatever purchases are necessary until the 2% inflation target is exceeded. Real estate is likely to appear less attractive than in a world of negative rates, however the spread available on property still looks appealing to a Japanese investor. There is upside potential from any future fiscal stimulus, however we remain sceptical on its efficacy.

November 2016

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

AVIVA INVESTORS ASIA PACIFIC PROPERTY FUND (CONTINUED)

CONSOLIDATED MATERIAL PORTFOLIO CHANGES

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

Sales

Shore City Shopping Centre, Auckland, New Zealand

Alinta Plaza, 12-14 The Esplanade, Perth, Australia

160 Sussex Street, Sydney, Australia

Shinyamashita Building, 2-19 Shinyamashita 1 chome, Naka-ku, Yokohama-shi, Japan

Kanda Matsunagacho Building, 4-1 Kanda Matsunagacho, Chiyoda-ku, Tokyo, Japan

64 Castlereagh Street, Sydney, Australia

Mitsui Building, 1-8-1 Uchikanda, Chiyoda-ku, Tokyo, Japan

6 Cowper Wharf Road, Woolloomooloo Bay Wharf, Sydney, Australia

FUND MATERIAL PORTFOLIO CHANGES

There were no purchases of property during the year.

Sales

Shore Interest Bearing Loan

Pioneer Esplanade Interest Bearing Loan 18/11/2020

Sussex Street Interest Bearing Loan

Yamashita Lessee Interest Bearing Loan 2

Kanda Profit Participating Loan

Castlereagh Equity 2

Finger Wharf Interest Bearing Loan

Uchikanda Interest Bearing Loan 2

Kanda Interest Bearing Loan 2

Uchikanda Profit Participating Loan

COMPARATIVE TABLES

Class A (GBP) Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	67.84	73.29	77.94
Return before operating charges [†]	49.05	(1.24)	(0.05)
Operating charges	(2.43)	(1.73)	(1.77)
Return after operating charges [†]	46.62	(2.97)	(1.82)
Distributions on income shares	(12.23)	(2.48)	(2.83)
Closing net asset value per share	102.23	67.84	73.29
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	68.72%	(4.05)%	(2.34)%
Other information			
Closing net asset value (£000)	19,888	69,618	92,402
Closing number of shares	19,453,739	102,624,344	126,076,443
Operating charges (%) [†]	3.24%	2.48%	2.31%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	98.43	78.61	83.38
Lowest share price	67.45	62.31	72.85

Class I (GBP) Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	74.94	80.75	85.14
Return before operating charges [†]	55.87	(1.22)	(0.02)
Operating charges	(3.33)	(1.32)	(1.27)
Return after operating charges [†]	52.54	(2.54)	(1.29)
Distributions on income shares	(13.61)	(3.27)	(3.10)
Closing net asset value per share	113.87	74.94	80.75
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	70.11%	(3.15)%	(1.52)%
Other information			
Closing net asset value (£000)	2,130	7,393	10,353
Closing number of shares	1,870,236	9,864,942	12,820,820
Operating charges (%) [†]	2.44%	1.68%	1.51%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	109.61	82.53	86.56
Lowest share price	74.52	68.74	80.24

Class A (USD) Income	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	73.77	84.78	91.16
Return before operating charges [†]	36.07	(5.77)	(0.48)
Operating charges	(3.53)	(2.67)	(1.30)
Return after operating charges [†]	32.54	(8.44)	(1.78)
Distributions on income shares	(11.42)	(2.57)	(4.60)
Closing net asset value per share	94.89	73.77	84.78
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	44.11%	(9.96)%	(1.95)%
Other information			
Closing net asset value (£000)	22	76	89
Closing number of shares	30,687	157,596	169,822
Operating charges (%) [†]	3.24%	2.48%	2.31%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	91.25	90.44	97.37
Lowest share price	72.18	69.53	84.56

Class A (GBP) Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	94.45	99.22	102.36
Return before operating charges [†]	67.58	(2.41)	(0.80)
Operating charges	(5.59)	(2.36)	(2.34)
Return after operating charges [†]	61.99	(4.77)	(3.14)
Distributions on income shares	–	–	–
Closing net asset value per share	156.44	94.45	99.22
Retained distributions on accumulation shares	17.13	3.29	(3.68)
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	65.63%	(4.81)%	(3.07)%
Other information			
Closing net asset value (£000)	22,953	73,105	83,376
Closing number of shares	14,671,813	77,397,221	84,033,289
Operating charges (%) [†]	3.24%	2.48%	2.31%
Direct transaction costs (%) [#]	–	–	–
Prices^{**}			
Highest share price	138.51	105.60	109.43
Lowest share price	93.83	85.95	96.77

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	410.84	409.18	393.27
Return before operating charges [†]	183.19	15.72	23.42
Operating charges	(10.91)	(14.06)	(7.51)
Return after operating charges [†]	172.28	1.66	15.91
Distributions on income shares	–	–	–
Closing net asset value per share	583.12	410.84	409.18
Retained distributions on accumulation shares	64.10	21.26	(15.58)
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	41.93%	0.41%	4.05%
Other information			
Closing net asset value (£000)	146	454	1,189
Closing number of shares	29,091	149,787	373,229
Operating charges (%) [‡]	3.24%	2.48%	2.31%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	512.46	457.75	430.35
Lowest share price	408.14	383.24	372.05

Class A (USD) Accumulation	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	336.30	376.10	387.39
Return before operating charges [†]	146.87	(27.75)	(5.81)
Operating charges	(7.96)	(12.05)	(5.48)
Return after operating charges [†]	138.91	(39.80)	(11.29)
Distributions on income shares	–	–	–
Closing net asset value per share	475.21	336.30	376.10
Retained distributions on accumulation shares	52.32	14.91	(14.60)
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	41.31%	(10.58)%	(2.91)%
Other information			
Closing net asset value (£000)	206	638	1,329
Closing number of shares	56,153	288,383	571,755
Operating charges (%) [‡]	3.24%	2.48%	2.31%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	420.40	398.09	420.73
Lowest share price	329.02	314.04	367.96

Class I (GBP) Accumulation	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	107.98	112.60	115.26
Return before operating charges [†]	77.15	(2.80)	(0.93)
Operating charges	(4.83)	(1.82)	(1.73)
Return after operating charges [†]	72.32	(4.62)	(2.66)
Distributions on income shares	–	–	–
Closing net asset value per share	180.30	107.98	112.60
Retained distributions on accumulation shares	19.71	3.47	(5.69)
[†] after direct transaction costs of	–	–	–
Performance			
Return after operating charges	66.98%	(4.10)%	(2.31)%
Other information			
Closing net asset value (£000)	470	1,484	2,535
Closing number of shares	260,467	1,373,813	2,251,311
Operating charges (%) [‡]	2.44%	1.68%	1.51%
Direct transaction costs (%) [#]	–	–	–
Prices[≈]			
Highest share price	159.61	113.64	116.52
Lowest share price	107.26	98.13	109.23

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

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

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

(c) The return after operating charges is higher than in previous periods due to the amounts achieved on the sale of the fund's properties, which in aggregate was in excess of their valuation, which has increased the return.

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

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

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

The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	30.09.16	30.09.15
Class A (GBP)	3.24%	2.48%
Class A (EUR)	3.24%	2.48%
Class A (USD)	3.24%	2.48%
Class I (GBP)	2.44%	1.68%

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

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Direct properties 0.00% (96.69%)				
Market value up to £5,000,000 0.00% (0.00%)				
Market value between £5,000,000 and £10,000,000 0.00% (6.33%)				
Market value between £10,000,000 and £15,000,000 0.00% (24.97%)				
Market value between £15,000,000 and £20,000,000 0.00% (12.53%)				
Market value between £20,000,000 and £25,000,000 0.00% (29.76%)				
Market value between £25,000,000 and £30,000,000 0.00% (0.00%)				
Market value between £30,000,000 and £35,000,000 0.00% (0.00%)				
Market value over £35,000,000 0.00% (23.10%)				
Total direct properties			–	–
Liquidity Funds 0.01% (6.28%)¹				
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]	GBP	2,972	3	0.01
Liquidity Funds total			3	0.01
Investment assets ²			3	0.01
Net other assets			45,812	99.99
Net assets			45,815	100.00

The comparative percentage figures in brackets are as at 30 September 2015.

[†] Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

FUND PORTFOLIO STATEMENT

As at 30 September 2016

Investment		Currency	Holding	Market Value £000	% of Net Assets
Australia 7.23% (44.42%)					
Castlereagh Equity	\$	AUD	6,010	–	–
Castlereagh Perpetual	\$	AUD	12,030	2,360	5.15
Finger Wharf Equity	\$	AUD	4,415	–	–
Finger Wharf Profit Participating Loan 12/06/2018	\$	AUD	4,332,085	953	2.08
La Trobe Interest Bearing Loan	\$	AUD	28,711	–	–
NSIP Australia Interest Bearing Loan	\$	AUD	2	–	–
Pioneer Clarence Equity	\$	AUD	1,249,077	–	–
Pioneer Clarence Profit Participating Loan 12/06/2018	\$	AUD	1,925,821	–	–
Pioneer Esplanade Equity	\$	AUD	2,286,794	–	–
Pioneer Esplanade Profit Participating Loan 12/06/2018	\$	AUD	7,227,704	–	–
Sussex Street Equity	\$	AUD	6,010	–	–
Sussex Street Profit Participating Loan	\$	AUD	19,695	–	–
Australia total				3,313	7.23
Japan 3.58% (27.25%)					
Kanda Equity	\$	JPY	–	–	–
Kanda Interest Bearing Loan	\$	JPY	379,276,318	–	–
NSIP Interest Bearing Loan	\$	JPY	1	–	–
NSIP Investment ZCP Interest Bearing Loan 06/12/2020	\$	JPY	14,692,856	28	0.06
NSIP Master Lessee Interest Bearing Loan	\$	JPY	611,118	–	–
NSIP Master Lessee Interest Bearing Loan 2	\$	JPY	360,650	–	–
Uchikanda Interest Bearing Loan 2	\$	JPY	1	–	–
Yamashita Equity	\$	JPY	–	–	–
Yamashita Profit Participating Loan	\$	JPY	697,930,035	1,612	3.52
Japan total				1,640	3.58
Luxembourg 1.07% (0.06%)					
Asia Pacific Investment Holdings SARL	\$	GBP	63	489	1.07
Luxembourg total				489	1.07
New Zealand 2.80% (21.13%)					
Shore City Equity	\$	NZD	8,925,803	934	2.04
Shore Profit Participating Loan	\$	NZD	24,787,922	352	0.76
New Zealand total				1,286	2.80
Singapore 63.01% (1.77%)					
Asia Pacific Investment Holdings Pte Ltd	\$	GBP	73,600	28,869	63.01
Pioneer Panda Profit Participating Loan 12/06/2018	\$	SGD	1	–	–
Singapore total				28,869	63.01
United Kingdom 0.00% (0.56%)					
Commerce Point Profit Participating Loan 18/11/2020	\$	GBP	857,032	–	–
United Kingdom total				–	–
Liquidity Funds 0.01% (6.28%)¹					
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP [†]		GBP	2,972	3	0.01
Ireland total				3	0.01
Investment assets ²				35,600	77.70
Net other assets				10,215	22.30
Net assets				45,815	100.00

The comparative percentage figures in brackets are as at 30 September 2015.

§ All holdings are unquoted securities.

† Investment managed by a related party.

¹ Cash equivalents.² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2016

		Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000	Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000
	Notes				
Income					
Net capital gains/(losses)	2	36,810	(11,518)	36,810	(11,518)
Revenue	3	8,681	14,058	4,456	6,959
Expenses	4	(5,532)	(9,633)	(1,876)	(2,967)
Net revenue before taxation		3,149	4,425	2,580	3,992
Taxation	5	1,283	(1,220)	1,852	(787)
Net revenue after taxation		4,432	3,205	4,432	3,205
Total return before distributions		41,242	(8,313)	41,242	(8,313)
Distributions	6	(6,108)	(5,871)	(6,108)	(5,871)
Change in net assets attributable to shareholders from investment activities		35,134	(14,184)	35,134	(14,184)

* Refer to the accounting policies note on page 17.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2016

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Opening net assets attributable to shareholders	152,768	191,273	152,768	191,273
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	–	–	–	–
Amounts payable on cancellation of shares	(144,512)	(26,551)	(144,512)	(26,551)
	(144,512)	(26,551)	(144,512)	(26,551)
Change in net assets attributable to shareholders from investment activities (see above)	35,134	(14,184)	35,134	(14,184)
Retained distribution on accumulation shares	2,425	2,230	2,425	2,230
Closing net assets attributable to shareholders	45,815	152,768	45,815	152,768

BALANCE SHEET

As at 30 September 2016

		Consolidated		Aviva Investors Asia Pacific Property Fund	
	Notes	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	Restated* As at 30.09.15 £000
Assets:					
Investments		–	147,714	35,597	145,414
Current assets:					
Debtors	8	5,816	3,957	8,387	9,859
Cash and bank balances	9	45,295	13,177	5,357	949
Cash equivalents	10	3	303	3	303
Total other assets		51,114	17,437	13,747	11,111
Total assets		51,114	165,151	49,344	156,525
Liabilities:					
Creditors:					
Distribution payable		(3,140)	(1,389)	(3,140)	(1,441)
Other creditors	11	(2,159)	(10,994)	(389)	(2,316)
Total liabilities		(5,299)	(12,383)	(3,529)	(3,757)
Net assets attributable to shareholders		45,815	152,768	45,815	152,768

* Refer to the accounting policies note on page 17.

CASH FLOW STATEMENT

For the year ended 30 September 2016

	Notes	Consolidated		Aviva Investors Asia Pacific Property Fund	
		Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Net cash (outflow)/inflow from operating activities	14	(819)	12,202	7,956	3,683
Servicing of finance					
Distributions paid		(1,260)	(3,672)	(1,260)	(3,672)
		(1,260)	(3,672)	(1,260)	(3,672)
Taxation					
Taxation (paid)/received		(2,291)	(426)	570	(82)
		(2,291)	(426)	570	(82)
Financial investments					
Purchases of investments		(46)	–	(1,473)	(1,994)
Sales of investments		175,613	–	148,884	1,702
Fees paid from capital		(1,832)	(2,723)	(1,832)	(2,723)
		173,735	(2,723)	145,579	(3,015)
Financing					
Amounts received on issue of shares		–	–	–	–
Amounts paid on cancellation of shares		(144,511)	(26,551)	(144,511)	(26,551)
Exchange rate movement		6,964	(5,258)	(4,226)	(190)
		(137,547)	(31,809)	(148,737)	(26,741)
Increase/(decrease) in cash in the year	13	31,818	(26,428)	4,108	(29,827)
Net cash at the start of the year	13	13,480	39,908	1,252	31,079
Net cash at the end of the year	13	45,298	13,480	5,360	1,252

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 and 7 for accounting basis and policies.

There have been no changes to the financial position or financial performance of the fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010. However, as a result of this change certain comparative items have been restated in the Financial statement set out as below:

Statement of Total Return

Interest payable of £9,000 (Consolidated) and £2,000 (Fund) is now disclosed within 'Expenses', whereas under SORP 2010 this was included within 'Finance Costs'.

Balance sheet

The Income tax withheld on distributions of £665,000 (Consolidated and Fund) is now included within 'Distributions payable', whereas under SORP 2010 the they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
The net capital gains/(losses) on investments during the year comprise:				
Currency losses on other capital items	(2,729)	(82)	–	–
Direct property gains/(losses)	39,539	(11,446)	–	–
Expenses relating to the purchase and sale of investments	–	(2)	–	(2)
Forward currency contracts gains	–	12	–	12
Non-derivative securities gains/(losses)	–	–	36,711	(9,484)
Notional dealing costs written back/(suffered)	–	–	99	(2,044)
Net capital gains/(losses)*	36,810	(11,518)	36,810	(11,518)

* Total realised losses for the year were £3,763,000 (2015: losses £733,000) and the movement in unrealised gains was £40,573,000 (2015: losses £10,785,000). Included in realised gains/(losses) for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Bank and deposit interest	146	90	59	25
Interest on debt securities	–	–	4,397	6,899
Other income	–	–	–	35
Rental revenue	8,535	13,968	–	–
Total revenue	8,681	14,058	4,456	6,959

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000	Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:				
Authorised Corporate Director's periodic charge	1,676	2,660	1,676	2,660
Registration fees	108	171	108	172
	1,784	2,831	1,784	2,832
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	42	67	42	67
Interest payable	30	9	1	2
Safe custody fee	–	1	–	1
	72	77	43	70
Other expenses				
Administrative expenses	275	264	–	–
Audit fee**	144	190	40	16
Electricity	122	402	–	–
Insurance	119	246	–	–
Legal & Professional fees	118	121	1	46
Maintenance costs	158	447	–	–
Other fees	180	680	–	–
Other property operating expenses	2,004	2,977	–	–
Printing & postage expenses	4	(4)	4	(4)
Property management fees	159	336	–	–
Property taxes	352	980	–	–
Statement fees	4	7	4	7
Water rates	37	79	–	–
	3,676	6,725	49	65
Total expenses	5,532	9,633	1,876	2,967

* Refer to the accounting policies note on page 17.

** The audit fee was £120,000 (2015: £158,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Overseas tax suffered	–	1,220	–	787
Overseas tax written back	(1,283)	–	(1,852)	–
Total current tax for year (see note 5.b)	(1,283)	1,220	(1,852)	787

b Factors affecting current tax charge

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

The differences are explained below:

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Net revenue before taxation	3,149	4,425	2,580	3,992
Corporation tax at 20%	630	885	516	798
Effects of:				
Overseas tax suffered	–	1,220	–	787
Overseas tax written back	(1,283)	–	(1,852)	–
Tax deductible interest distributions	(630)	(885)	(516)	(798)
	(1,913)	335	(2,368)	(11)
Current tax charge for the year (see note 5.a)	(1,283)	1,220	(1,852)	787

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

C Deferred tax

There was no provision for deferred tax at the balance sheet date (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:				
Gross interest distribution for the six months ended 31 March	1,324	4,046	1,324	4,046
Gross interest distribution for the six months ended 30 September	4,784	1,825	4,784	1,825
	6,108	5,871	6,108	5,871
Distributions	6,108	5,871	6,108	5,871
Reconciliation of distributions for the year to net revenue after taxation				
Distributions for the year	6,108	5,871	6,108	5,871
ACD's periodic charge borne by the capital account	(1,676)	(2,660)	(1,676)	(2,660)
Equalisation on conversions	–	(6)	–	(6)
Net revenue after taxation	4,432	3,205	4,432	3,205

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

7 Fair value hierarchy

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.16 Assets £000	As at 30.09.15 Liabilities £000	As at 30.09.16 Assets £000	As at 30.09.15 Liabilities £000
Prices of recent transactions for identical instruments	3	–	3	–
Valuation techniques using non-observable market data	–	147,714	35,597	145,414
Total value	3	147,714	35,600	145,414

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)

8 Debtors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Accrued revenue	1,124	1	6,952	8,689
Amounts due from Aviva Investors International Property Fund*	1,435	1,170	1,435	1,170
Other debtors	3,236	2,321	–	–
Prepaid expenses	16	358	–	–
VAT recoverable	5	107	–	–
Total debtors	5,816	3,957	8,387	9,859

* Aviva Investors International Property Fund (AIIPF) was terminated on 21 January 2011 and all of its assets transferred to the Company. AIIPF is in the process of being wound up. The proceeds of this winding up exercise are recorded as Amounts due from Aviva Investors International Property Fund until final settlement.

9 Cash and bank balances

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Cash and bank balances	45,295	13,177	5,357	949

10 Cash equivalents

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Aviva Investors Sterling Liquidity Fund Class 3, Income shares, GBP	3	303	3	303

11 Other creditors

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	As at 30.09.16 £000	Restated* As at 30.09.15 £000	As at 30.09.16 £000	Restated* As at 30.09.15 £000
Accrued expenses	443	3,642	120	2,317
Deferred income	–	325	–	–
Income tax payable	171	–	–	–
Other creditors	813	1,912	–	–
Refundable rent deposits	–	1,457	–	–
VAT payable	–	336	–	–
Withholding tax recoverable	732	3,322	269	–
Total other creditors	2,159	10,994	389	2,317

* Refer to the accounting policies note on page 17.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

13 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors Asia Pacific Property Fund £000
Cash and cash equivalents:		
As at 30.09.15	13,480	1,252
Cashflows	31,818	4,108
As at 30.09.16	45,298	5,360

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

	Consolidated		Aviva Investors Asia Pacific Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Net revenue before taxation	3,149	4,425	2,580	3,992
add: ACD fees paid from capital	1,676	2,660	1,676	2,660
add: Amortisation charged on intra-group loan	–	–	(283)	(264)
Net revenue before finance costs and taxation	4,825	7,085	3,973	6,388
Decrease/(increase) in debtors (excluding capital items)	1,594	(1,390)	(1,737)	(856)
Increase/(decrease) in creditors (excluding capital items)	(7,238)	6,507	5,720	(1,849)
Net cash (outflow)/inflow from operating activities	(819)	12,202	7,956	3,683

15 Related party transactions

Management charges and registration fees paid to the ACD are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of management charges was £53,000 (2015: £208,000) and registration fees was £32,000 (2015: £42,000).

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,846,000 (2015: £3,580,000). The amount outstanding at the year end was £3,012,000 (2015: £1,122,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £35,903,000 (2015: £nil) and £35,900,000 (2015: £nil) respectively. The income received during the year amounted to £8,000 (2015: £35,000).

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

	Holdings at 30.09.16 (shares)	Movement (shares)	Holdings at 30.09.15 (shares)
ACD and related parties (share class A (GBP) income)	13,205,305	(56,519,475)	69,724,780
ACD and related parties (share class I (GBP) income)	186,268	(795,852)	982,120
ACD and related parties (share class A (GBP) accumulation)	14,494,841	(61,968,812)	76,463,653
ACD and related parties (share class I (GBP) accumulation)	4,839	(20,684)	25,523

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Shareholder funds

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

Class A: 1.60%

Class I: 0.80%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 10 and 11. The distributions per share class are given in the distribution tables on pages 27 and 27. All the share classes have the same rights on winding up.

17 Shares in issue reconciliation

	Number of shares in issue at 30.09.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.16
Share class A (GBP) income	102,624,344	–	(83,170,605)	–	19,453,739
Share class A (USD) income	157,596	–	(126,909)	–	30,687
Share class I (GBP) income	9,864,942	–	(7,994,706)	–	1,870,236
Share class A (GBP) accumulation	77,397,221	–	(62,725,408)	–	14,671,813
Share class A (EUR) accumulation	149,787	–	(120,696)	–	29,091
Share class A (USD) accumulation	288,383	–	(232,230)	–	56,153
Share class I (GBP) accumulation	1,373,813	–	(1,113,346)	–	260,467

18 Derivatives and other financial instruments

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

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2015: nil).

Foreign currency risk

At the year end date, 30.36% (2015: 98.73%) of the net assets of the Company were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Company would change by 3.04%.

At the year end date, 34.57% (2015: 100.47%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Fund would change by 3.46%.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Derivatives and other financial instruments (continued)

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors Asia Pacific Property Fund		
	Non monetary exposure £000 30.09.15	Monetary exposure £000 30.09.15	Total £000 30.09.15	Non monetary exposure £000 30.09.15	Monetary exposure £000 30.09.15	Total £000 30.09.15
Australian Dollar	67,450	587	68,037	67,844	(810)	67,034
Japanese Yen	45,047	1,280	46,327	41,640	5,433	47,073
New Zealand Dollar	35,285	992	36,277	32,278	2,504	34,782
Singapore Dollar	–	187	187	–	211	211

Interest rate risk

At the year end date 98.87% (2015: 8.87%) of the net assets of the Company were interest bearing.

At the year end date 23.28% (2015: 93.19%) of the net assets of the Fund were interest bearing.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Derivatives and other financial instruments (continued)

The interest rate profile of the financial assets and liabilities at 30 September 2015 was:

Currency	Consolidated				Aviva Investors Asia Pacific Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	4,356	–	898	5,254	1,928	–	5,497	7,425
Australian Dollar	2,748	–	65,492	68,240	13,620	54,217	–	67,837
Japanese Yen	4,253	67	42,141	46,461	10,066	30,881	6,126	47,073
New Zealand Dollar	1,941	–	34,442	36,383	31,476	–	3,306	34,782
Singapore Dollar	182	–	5	187	182	–	29	211
Financial Liabilities								
Sterling	–	–	(3,757)	(3,757)	–	–	(3,757)	(3,757)
Australian Dollar	–	–	–	–	–	–	(803)	(803)
Total	13,480	67	139,221	152,768	57,272	85,098	10,398	152,768

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

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

Market price risk

At the year end date, 0.01% (2015: 0.20%) of the net assets of the Company were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10.00%, the value of the Company would change by nil%.

At the year end date, 0.01% (2015: 0.20%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market were to change by 10.00% the value of the Fund would change by nil%.

19 Direct transaction costs

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Direct transaction costs (continued)

30.09.15	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Bonds	–	–	–	–	0.00%	0.00%
	–	–	–	–		
Sales (excluding in-specie transfers and corporate actions)						
Bonds	–	–	–	–	0.00%	0.00%
	–	–	–	–		
Total		–	–	–		
Percentage of Fund average net assets		0.00%	0.00%			

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Fund's purchases or sales during the current year ended 30 September 2016 (2015: £nil). The total purchases for the year amounted to £1,473,000 (2015: £1,994,000) and the total sales amounted to £148,884,000 (2015: £1,702,000).

20 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: £nil). The following underlying investment has now been liquidated. New Star International Property Investments GK, (November 2016).

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2016

Income shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Final distribution payable 30 November 2016	Final distribution paid 30 November 2015
Class A (GBP)	Group 1	11.1624p	2.2325p	8.9299p	–	8.9299p	0.6373p
Class A (USD)	Group 1	10.3053c	2.0611c	8.2442c	–	8.2442c	0.6911c
Class I (GBP)	Group 1	12.4266p	2.4853p	9.9413p	–	9.9413p	0.7038p

Accumulation shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Final distribution payable 30 November 2016	Final distribution paid 30 November 2015
Class A (GBP)	Group 1	15.6434p	3.1287p	12.5147p	–	12.5147p	0.8766p
Class A (EUR)	Group 1	58.0599c	11.6120c	46.4479c	–	46.4479c	3.8122c
Class A (USD)	Group 1	47.2884c	9.4577c	37.8307c	–	37.8307c	3.1206c
Class I (GBP)	Group 1	18.0218p	3.6044p	14.4174p	–	14.4174p	0.9995p

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2016.

Interim distribution paid in pence/cents per share for the six months ended 31 March 2016

Income shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Interim distribution paid 31 May 2016	Interim distribution paid 31 May 2015
Class A (GBP)	Group 1	1.0720p	0.2144p	0.8576p	–	0.8576p	1.3461p
Class A (USD)	Group 1	1.1113c	0.2223c	0.8890c	–	0.8890c	1.3658c
Class I (GBP)	Group 1	1.1821p	0.2364p	0.9457p	–	0.9457p	1.9160p

Accumulation shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Interim distribution paid 31 May 2016	Interim distribution paid 31 May 2015
Class A (GBP)	Group 1	1.4831p	0.2966p	1.1865p	–	1.1865p	1.7560p
Class A (EUR)	Group 1	6.0374c	1.2075c	4.8299c	–	4.8299c	13.1928c
Class A (USD)	Group 1	5.0298c	1.0060c	4.0238c	–	4.0238c	8.8107c
Class I (GBP)	Group 1	1.6923p	0.3385p	1.3538p	–	1.3538p	1.7788p

Interim Distribution

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

Equalisation

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

AVIVA INVESTORS EUROPEAN PROPERTY FUND

INVESTMENT OBJECTIVE

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

INVESTMENT APPROACH

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

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

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

FUND MANAGER'S REPORT

FUND PROFILE AND PORTFOLIO REVIEW

Total assets under management as at 30 September 2016 were £174.9 million, which includes twelve properties invested across six countries. The net initial yield on the underlying properties in the Fund is currently 5.9%. At the end of September 2016, the total unrestricted cash position for the Fund stood at approximately 4.0%.

The Fund suspended dealing on 8 December 2015, pending ultimate closure of the Fund, following consultation with the FCA and after having met the necessary regulatory approvals. The Real Estate Investment Trust (REIT) holdings were subsequently sold in December 2015, and the Fund received the associated proceeds. Investors received an initial redemption payment of 20% of the suspension Net Asset Value. As confirmed with the FCA, termination of the Fund officially commenced on 21 January 2016.

We are making good progress in relation to the sale of the individual properties held in the Fund. As at 15 November 2016 contracts for sale have been exchanged on one property. We currently have bids on the remaining eleven properties and have placed ten of these under offer.

We are pleased with the level of offers received so far but would like to remind investors that until the sale of a property completes the sale values may be subject to change and the expected time frame for returning investments cannot be confirmed. Even when we have completed on a property it will still take some time for us to be able to return proceeds of the sales due to the complex structure of the Fund. We continue to be mindful of the need to return the proceeds as quickly as possible whilst aiming to maximise the sale price of the Fund's properties.

AVIVA INVESTORS EUROPEAN PROPERTY FUND (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

REAL ESTATE MARKET REVIEW AND OUTLOOK

The Eurozone saw modest economic growth of 0.3% q/q in Q2 and Q3 2016, an expected slowdown after a rebound of 0.6% in Q1. The latest economic sentiment index increased strongly by 1.4 points in October 2016 in both the Eurozone (to 106.3) and the EU (to 106.9). This improvement confirms our main scenario that Brexit is unlikely to significantly affect the current economic recovery in the region. The European economy continues to benefit from the combination of several positive factors: low commodity prices, weaker euro and accommodative monetary policy. Inflation reached a two-year high in October (0.5%) helped by the rebound in energy prices. However, core inflation (which excludes more volatile prices) remained unchanged at 0.8%.

After a record year in 2015 in terms of transactional activity, the European property market slowed slightly over H1 2016 but rebounded thereafter in Q3 as investor demand remains robust. The Nordics, CEE and Netherlands saw the most significant increases in transaction volumes in Q1-Q3, compared to the corresponding period in 2015. Meanwhile, Norway, Spain, Portugal and the UK experienced the sharpest falls in investment. In some cases, this was due to a lack of availability, rather than a lack of demand. Investor appetite remains strong, driven by favourable relative pricing and improving market fundamentals and as reflected by further yield compression across European property markets in Q3 2016.

European prime office occupier markets still look healthy in general. According to CBRE's prime Eurozone rent index, office rents grew by an annual rate of 3.3% in Q3, up from 2.4% in Q2. Vacancy rates in main European office markets continue to decline, thanks to greater leasing activity and modest new supply. The average office vacancy rate in EU-15 is now at c9.1%, the lowest it has been since Q3 2009.

European prime high street retail markets have maintained the momentum, benefiting from the increase in domestic demand and consumer spending as well as structural changes which continue to favour prime over secondary. The Eurozone's prime high street retail rents continue to outperform both the prime office and prime industrial sectors. Eurozone high street retail rents increased by an average of 4.5 per cent year-on-year in the third quarter of 2016, following 4.6% in the second quarter.

Gradual rental growth is underway in the prime industrial property market. Prime industrial rents grew by 2% year-on-year after 3% growth in Q2. Investment demand for industrial and logistics property remained strong in Q1-Q3 2016, with transaction volumes in Europe ex-UK up by 21% compared to the same period in 2015.

November 2016

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

CONSOLIDATED MATERIAL PORTFOLIO CHANGES

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

FUND MATERIAL PORTFOLIO CHANGES

There were no purchases of property during the year.

Sales

Gretlade Financing ZCP Perpetual

Hibernia REIT

Wereldhave

Unibail-Rodamco

Klepierre

LAR Espana Real Estate SOCIMI REIT

Pandox

Fonciere des Regions

Gecina

Eurocommercial

COMPARATIVE TABLES

Class A (GBP) Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	98.82	106.89	116.46
Return before operating charges [†]	13.54	(2.75)	(4.47)
Operating charges	(3.36)	(2.69)	(2.86)
Return after operating charges [†]	10.18	(5.44)	(7.33)
Distributions on income shares	(2.29)	(2.63)	(2.24)
Closing net asset value per share	106.71	98.82	106.89
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	(0.01)	–
Performance			
Return after operating charges	10.30%	(5.09)%	(6.29)%
Other information			
Closing net asset value (£000)	1,650	1,872	2,046
Closing number of shares	1,545,967	1,894,707	1,914,307
Operating charges (%) [†]	3.34%	2.63%	2.52%
Direct transaction costs (%) [#]	–	0.01%	–
Prices^{**}			
Highest share price	109.44	115.72	124.70
Lowest share price	93.63	94.60	107.07

Class R (GBP) Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	98.23	106.31	115.90
Return before operating charges [†]	13.47	(2.74)	(4.43)
Operating charges	(3.34)	(2.69)	(2.85)
Return after operating charges [†]	10.13	(5.43)	(7.28)
Distributions on income shares	(2.28)	(2.65)	(2.31)
Closing net asset value per share	106.08	98.23	106.31
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	(0.01)	–
Performance			
Return after operating charges	10.31%	(5.11)%	(6.28)%
Other information			
Closing net asset value (£000)	9,928	11,338	16,116
Closing number of shares	9,359,972	11,541,762	15,159,815
Operating charges (%) [†]	3.34%	2.63%	2.52%
Direct transaction costs (%) [#]	–	0.01%	–
Prices^{**}			
Highest share price	108.78	115.08	124.00
Lowest share price	93.07	94.08	106.53

Class A (EUR) Income	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	114.59	117.52	119.28
Return before operating charges [†]	(1.43)	2.44	3.13
Operating charges	(4.73)	(2.30)	(2.45)
Return after operating charges [†]	(6.16)	0.14	0.68
Distributions on income shares	(2.43)	(3.07)	(2.44)
Closing net asset value per share	106.00	114.59	117.52
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	(0.01)	–
Performance			
Return after operating charges	(5.38)%	0.12%	0.57%
Other information			
Closing net asset value (£000)	48	55	59
Closing number of shares	52,513	64,677	64,677
Operating charges (%) [†]	3.34%	2.63%	2.52%
Direct transaction costs (%) [#]	–	0.01%	–
Prices^{**}			
Highest share price	121.18	124.76	124.66
Lowest share price	103.96	114.73	115.39

Class I (GBP) Income	2016 p per share	2015 p per share	2014 p per share
Change in net assets per share			
Opening net asset value per share	98.45	106.50	116.11
Return before operating charges [†]	13.54	(2.74)	(4.63)
Operating charges	(2.60)	(1.92)	(2.01)
Return after operating charges [†]	10.94	(4.66)	(6.64)
Distributions on income shares	(3.11)	(3.39)	(2.97)
Closing net asset value per share	106.28	98.45	106.50
Retained distributions on accumulation shares	–	–	–
[†] after direct transaction costs of	–	(0.01)	–
Performance			
Return after operating charges	11.11%	(4.38)%	(5.72)%
Other information			
Closing net asset value (£000)	99,025	112,563	120,142
Closing number of shares	93,173,008	114,339,887	112,808,209
Operating charges (%) [†]	2.59%	1.88%	1.77%
Direct transaction costs (%) [#]	–	0.01%	–
Prices^{**}			
Highest share price	109.23	109.92	118.10
Lowest share price	93.38	94.41	107.10

COMPARATIVE TABLES (CONTINUED)

Class A (EUR) Accumulation	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	150.12	150.79	149.92
Return before operating charges [†]	(2.59)	2.30	3.96
Operating charges	(6.24)	(2.97)	(3.09)
Return after operating charges [†]	(8.83)	(0.67)	0.87
Distributions on income shares	–	–	–
Closing net asset value per share	141.29	150.12	150.79
Retained distributions on accumulation shares	3.16	3.96	3.71
[†] after direct transaction costs of	–	(0.01)	–
Performance			
Return after operating charges	(5.88)%	(0.44)%	0.58%
Other information			
Closing net asset value (£000)	7,816	8,762	9,283
Closing number of shares	6,421,550	7,909,109	7,909,109
Operating charges (%) [‡]	3.34%	2.63%	2.52%
Direct transaction costs (%) [#]	–	0.01%	–
Prices*			
Highest share price	158.44	160.06	157.92
Lowest share price	137.94	148.77	145.79

Class A (USD) Accumulation	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	302.80	341.51	363.95
Return before operating charges [†]	(5.27)	(33.37)	(16.88)
Operating charges	(13.83)	(5.34)	(5.56)
Return after operating charges [†]	(19.10)	(38.71)	(22.44)
Distributions on income shares	–	–	–
Closing net asset value per share	283.70	302.80	341.51
Retained distributions on accumulation shares	6.45	7.81	8.73
[†] after direct transaction costs of	–	(0.02)	–
Performance			
Return after operating charges	(6.31)%	(11.33)%	(6.17)%
Other information			
Closing net asset value (£000)	147	165	174
Closing number of shares	67,005	82,650	82,650
Operating charges (%) [‡]	3.34%	2.63%	2.52%
Direct transaction costs (%) [#]	–	–	–
Prices*			
Highest share price	324.21	362.74	389.62
Lowest share price	276.94	287.00	338.13

Class I (EUR) Accumulation	2016 c per share	2015 c per share	2014 c per share
Change in net assets per share			
Opening net asset value per share	159.04	158.77	156.92
Return before operating charges [†]	(3.32)	2.51	4.13
Operating charges	(5.14)	(2.24)	(2.28)
Return after operating charges [†]	(8.46)	0.27	1.85
Distributions on income shares	–	–	–
Closing net asset value per share	150.58	159.04	156.77
Retained distributions on accumulation shares	4.56	5.56	5.09
[†] after direct transaction costs of	–	(0.01)	–
Performance			
Return after operating charges	(5.32)%	0.17%	1.18%
Other information			
Closing net asset value (£000)	56,316	63,785	71,286
Closing number of shares	43,417,053	54,352,130	57,682,411
Operating charges (%) [‡]	2.59%	1.88%	1.77%
Direct transaction costs (%) [#]	–	0.01%	–
Prices*			
Highest share price	160.04	161.03	158.37
Lowest share price	146.95	156.86	152.91

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

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

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

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

^{*} The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year.

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

The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

Ongoing Charges Figure*

Share class	30.09.16	30.09.15
Class A (GBP)	3.34%	2.63%
Class A (EUR)	3.34%	2.63%
Class A (USD)	3.34%	2.63%
Class R (GBP)	3.34%	2.63%
Class I (GBP)	2.59%	1.88%

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

CONSOLIDATED PORTFOLIO STATEMENT

As at 30 September 2016

Investment	Currency	Holding	Market Value £000	% of Net Assets
Direct Properties 82.55% (73.54%)				
Market Value up to £8,000,000 16.19% (10.20%)				
Edificio Amper, 3, Marconi, Tres Cantos, Madrid, Spain	EUR			
Avenue de St Mathurin, ZA de Merlemont, 60000 Allonne, France	EUR			
ZAC de la Crau, 13300 Salon de Provence, France	EUR			
Prumysolva Zona Nove Pole, Karvina, Czech Republic	EUR			
Zamdorfer Straße 88, 81677, Munich, Germany	EUR			
Total market value up to £8,000,000			28,314	16.19
Market Value between £8,000,000 and £16,000,000 12.38% (42.74%)				
Industrial Zone Kadaň, Královskývrch 1990, Kadaň, Czech Republic	EUR			
Poland Rockwell Automation, ul. Roździeńska 49, Katowice, Poland	EUR			
Total market value between £8,000,000 and £16,000,000			21,655	12.38
Market Value between £16,000,000 and £24,000,000 39.74% (20.60%)				
Birsta Syd Retail Warehousing Scheme, Sundsvall, Sweden	SEK			
Megaron B, 17-19, Dynamostraße, Germany	EUR			
Manttaalitie 5-7, 01530 Vantaa, Finland	EUR			
Königsteiner Straße 9-13/Emmerich-Josef-Straße 21-25, Frankfurt am Main, Germany	EUR			
Total market value between £16,000,000 and £24,000,000			69,522	39.74
Market Value over £24,000,000 14.24% (0.00%)				
City Carrée, 1 Albert-Schweitzer-Straße, Salzgitter, Germany	EUR			
Total market value over £24,000,000			24,918	14.24
Total direct properties			144,409	82.55
Real Estate Securities 0.00% (6.33%)				
Liquidity Funds 7.09% (10.96%)¹				
Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR [†]	EUR	14,469,418	12,402	7.09
Liquidity Funds total			12,402	7.09
Investment assets ²			156,811	89.64
Net other assets			18,119	10.36
Net assets			174,930	100.00

The comparative percentage figures in brackets are as at 30 September 2015.

[†] Investment managed by a related party.

¹ Cash equivalents.

² Includes cash equivalents.

FUND PORTFOLIO STATEMENT

As at 30 September 2016

Investment		Currency	Holding	Market Value £000	% of Net Assets
Czech Republic 7.86% (7.41%)					
Kadan Capex Interest Bearing Loan	§	EUR	4,000,000	3,446	1.97
Kadan Equity ZCP Perpetual	§	EUR	32,100	–	–
Kadan Financing ZCP Perpetual	§	EUR	7,916,552	3,189	1.82
Kadan Holding ZCP Perpetual	§	EUR	181,765	–	–
Karvina Equity Perpetual	§	EUR	19,250	–	–
Karvina Financing Perpetual	§	EUR	9,955,142	7,348	4.20
Karvina Holding Perpetual	§	EUR	62,666	–	–
Czech Republic total				13,983	7.99
Finland 10.03% (8.76%)					
Vantaa Equity ZCP Perpetual	§	EUR	1,297,375	–	–
Vantaa Financing	§	EUR	21,127,559	16,563	9.47
Vantaa Holding	§	EUR	7,260,915	986	0.56
Finland total				17,549	10.03
France 5.82% (7.35%)					
Galileo Equity Perpetual	§	EUR	1,510,675	–	–
Galileo Financing Perpetual	§	EUR	25,987,897	9,951	5.69
Galileo Holding ZCP Perpetual	§	EUR	8,422,276	–	–
France total				9,951	5.69
Germany 38.40% (37.09%)					
Gretlade Equity ZCP Perpetual	§	EUR	444,825	–	–
Gretlade Holding ZCP Perpetual	§	EUR	2,415,770	–	–
Hochst Equity ZCP	§	EUR	999,400	500	0.29
Hochst Financing Perpetual	§	EUR	15,545,950	13,392	7.66
Hochst Holding Perpetual	§	EUR	5,663,168	4,878	2.79
Megaron B Equity ZCP Perpetual	§	EUR	1,092,750	891	0.51
Megaron B Financing Perpetual	§	EUR	12,081,087	10,657	6.09
Megaron B Holding	§	EUR	6,154,340	5,301	3.03
Munich Equity ZCP Perpetual	§	EUR	43,825	–	–
Munich Financing	§	EUR	15,704,042	8,259	4.72
Munich Holding ZCP Perpetual	§	EUR	247,988	–	–
Salzgitter Equity 12/06/2020	§	EUR	1,603,525	–	–
Salzgitter Financing Perpetual	§	EUR	24,943,450	21,423	12.25
Salzgitter Holding 12/06/2020	§	EUR	9,086,543	1,850	1.06
Germany total				67,151	38.40
Ireland 0.00% (1.11%)					
Luxembourg 4.97% (2.05%)					
European Property Holdings SARL	§	EUR	329,725	8,693	4.97
Luxembourg total				8,693	4.97
Netherlands 0.00% (1.08%)					
Busitel II Equity ZCP Perpetual	§	EUR	1,408,725	–	–
Busitel II Holding Perpetual	§	EUR	7,982,690	–	–
Netherlands total				–	–
Norway 0.00% (0.03%)					
Poland 5.53% (4.10%)					
Katowice Equity ZCP Perpetual	§	EUR	531,525	458	0.26
Katowice Financing	§	EUR	6,150,558	4,763	2.72
Katowice Holding ZCP Perpetual	§	EUR	2,297,060	4,467	2.55
Poland total				9,688	5.53

FUND PORTFOLIO STATEMENT (CONTINUED)

As at 30 September 2016

Investment		Currency	Holding	Market Value £000	% of Net Assets
Spain 1.70% (2.14%)					
Tres Cantos Equity ZCP Perpetual	§	EUR	822,950	–	–
Tres Cantos Financing ZCP Perpetual	§	EUR	18,204,000	2,980	1.70
Tres Cantos Holding ZCP Perpetual	§	EUR	4,663,270	–	–
Spain total				2,980	1.70
Sweden 8.50% (8.21%)					
Kista 0% CPEC	§	SEK	923,700	185	0.11
Kista Equity Perpetual	§	SEK	1,175	1	–
Kista Financing Perpetual	§	SEK	133,639	12	0.01
Sundsvall Equity	§	EUR	759,154	–	–
Sundsvall Financing ZCP Perpetual	§	SEK	185,635,830	14,664	8.38
Sundsvall Holding Perpetual	§	SEK	55,856,727	–	–
Sweden total				14,862	8.50
Liquidity Funds 7.09% (10.96%)¹					
Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR [†]		EUR	14,469,418	12,402	7.09
Liquidity Funds total				12,402	7.09
Investment assets ²				157,259	89.90
Net other assets				17,671	10.10
Net assets				174,930	100.00

The comparative percentage figures in brackets are as at 30 September 2015.

§ All holdings are unquoted securities.

† Investment managed by a related party.

¹ Cash equivalents.² Includes cash equivalents.

STATEMENT OF TOTAL RETURN

For the year ended 30 September 2016

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000	Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000
Income					
Net capital gains/(losses)	2	13,695	(16,573)	13,695	(16,573)
Revenue	3	13,539	14,941	6,730	8,937
Expenses	4	(8,243)	(8,335)	(1,778)	(2,127)
Net revenue before taxation		5,296	6,606	4,952	6,810
Taxation	5	(376)	130	(32)	(74)
Net revenue after taxation		4,920	6,736	4,920	6,736
Total return before distributions		18,615	(9,837)	18,615	(9,837)
Distributions	6	(4,925)	(6,739)	(4,925)	(6,739)
Change in net assets attributable to shareholders from investment activities		13,690	(16,576)	13,690	(16,576)

* Refer to the accounting policies note on page 38.

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 30 September 2016

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Opening net assets attributable to shareholders	198,540	219,106	198,540	219,106
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	387	1,417	387	1,417
Amounts payable on cancellation of shares	(39,105)	(7,404)	(39,105)	(7,404)
	(38,718)	(5,987)	(38,718)	(5,987)
Change in net assets attributable to shareholders from investment activities (see above)	13,690	(16,576)	13,690	(16,576)
Retained distribution on accumulation shares	1,418	1,997	1,418	1,997
Closing net assets attributable to shareholders	174,930	198,540	174,930	198,540

BALANCE SHEET

As at 30 September 2016

		Consolidated		Aviva Investors European Property Fund	
		As at 30.09.16 £000	Restated* As at 30.09.15 £000	As at 30.09.16 £000	Restated* As at 30.09.15 £000
	Notes				
Assets:					
Investments		144,409	158,572	144,857	157,510
Current assets:					
Debtors	8	5,784	5,091	15,838	12,997
Cash and bank balances	9	19,912	31,002	3,044	8,801
Cash equivalents	10	12,402	21,769	12,402	21,769
Total other assets		38,098	57,862	31,284	43,567
Total assets		182,507	216,434	176,141	201,077
Liabilities:					
Provisions for liabilities	11	(11)	–	–	–
Creditors:					
Distribution payable		(1,015)	(2,195)	(1,015)	(2,195)
Other creditors	12	(6,551)	(15,699)	(196)	(342)
Total liabilities		(7,577)	(17,894)	(1,211)	(2,537)
Net assets attributable to shareholders		174,930	198,540	174,930	198,540

* Refer to the accounting policies note on page 38.

CASH FLOW STATEMENT

For the year ended 30 September 2016

	Notes	Consolidated		Aviva Investors European Property Fund	
		Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Net cash inflow from operating activities	15	5,292	7,972	2,033	9,485
Servicing of finance					
Distributions paid		(3,364)	(3,388)	(3,364)	(3,388)
		(3,364)	(3,388)	(3,364)	(3,388)
Taxation					
Taxation paid		(1,841)	(1,542)	(1,355)	(1,662)
		(1,841)	(1,542)	(1,355)	(1,662)
Financial investments					
Purchases of investments		(804)	(6,071)	(1,598)	(7,833)
Sales of investments		12,894	16,470	23,598	11,434
Miscellaneous charges		(7)	(2)	(7)	(2)
		12,083	10,397	21,993	3,599
Financing					
Amounts received on issue of shares		380	1,415	380	1,415
Amounts paid on cancellation of shares		(39,098)	(7,490)	(39,098)	(7,490)
Exchange rate movement		6,091	(2,629)	4,287	(1,058)
		(32,627)	(8,704)	(34,431)	(7,133)
(Decrease)/increase in cash in the year	14	(20,457)	4,735	(15,124)	901
Net cash at the start of the year	14	52,771	48,036	30,570	29,669
Net cash at the end of the year	14	32,314	52,771	15,446	30,570

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 and 7 for accounting basis and policies.

There have been no changes to the financial position or financial performance of the fund as a result of preparing these statements in accordance with SORP 2014 rather than SORP 2010. However, as a result of this change certain comparative items have been restated in the Financial statement set out as below:

Statement of Total Return

Interest payable of £35,000 (Consolidated) and £5,000 (Fund) is now disclosed within 'Expenses', whereas under SORP 2010 they were was disclosed within 'Finance costs'.

Balance sheet

The Income tax withheld on distributions of £549,000 (Consolidated and Fund) is now included within 'Distributions payable', whereas under SORP 2010 the they would have been included within 'Creditors'.

2 Net capital gains/(losses)

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
The net capital gains/(losses) on investments during the year comprise:				
Currency gains/(losses) on other capital items	3,591	(541)	–	–
Direct property gains/(losses)	9,844	(16,131)	–	–
Expenses relating to the purchase and sale of investments	(1)	(2)	(1)	(2)
Forward currency contracts gains	15	17	15	17
Non-derivative securities gains/(losses)	246	84	13,681	(16,588)
Net capital gains/(losses)*	13,695	(16,573)	13,695	(16,573)

* Total realised losses for the year were £1,494,000 (2015: losses £14,689,000) and the movement in unrealised gains was £15,189,000 (2015: losses £1,884,000). Included in realised gains/(losses) for the year were unrealised gains/(losses) recognised in previous periods.

3 Revenue

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Bank and deposit interest	3	–	4	–
Interest on debt securities	–	–	6,649	8,553
Other income	2	329	–	–
Overseas dividends	77	384	77	384
Rental revenue	13,457	14,228	–	–
Total revenue	13,539	14,941	6,730	8,937

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Expenses

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000	Year ended 30.09.16 £000	Restated* Year ended 30.09.15 £000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:				
Authorised Corporate Director's periodic charge	1,484	1,741	1,484	1,741
Registration fees	178	208	178	208
	1,662	1,949	1,662	1,949
Payable to the Depositary, associates of the Depositary and agents of either of them:				
Depositary's fees	69	80	69	80
Interest payable	38	35	44	5
Safe custody fee	2	5	2	5
	109	120	115	90
Other expenses:				
Administrative expenses	641	493	–	–
Audit fee**	254	220	41	17
Electricity	309	249	–	–
Insurance	28	156	–	–
Legal & Professional fees	381	362	6	53
Maintenance costs	1,163	795	–	–
Other expenses/(recovered)	(9)	2	(58)	1
Other fees	1,743	960	–	–
Other property operating expenses	299	1,483	–	–
Printing & postage expenses	7	9	7	9
Property management fees	941	878	–	–
Property taxes	697	638	–	–
Statement fees	–	8	5	8
Water rates	18	13	–	–
	6,472	6,266	1	88
Total expenses	8,243	8,335	1,778	2,127

* Refer to the accounting policies note on page 38.

** The audit fee was £212,000 (2015: £183,000) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

a Analysis of tax charge

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Overseas tax suffered	282	–	32	74
Overseas tax written back	–	(147)	–	–
Total current tax for year (see note 5.b)	282	(147)	32	74
Deferred tax	94	17	–	–
Total deferred tax for year (see note 5.c)	94	17	–	–
Total tax for the year	376	(130)	32	74

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 Fund (20%) (2015: 20%).

The differences are explained below:

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Net revenue before taxation	5,296	6,606	4,952	6,810
Corporation tax at 20%	1,059	1,321	990	1,362
Effects of:				
Expenses not deductible for tax purposes	(1)	5	(1)	5
Overseas dividends not subject to corporation tax	(15)	(77)	(15)	(77)
Overseas tax suffered	282	–	32	74
Overseas tax written back	–	(147)	–	–
Tax deductible interest distributions	(1,043)	(1,249)	(974)	(1,290)
	(777)	(1,468)	(958)	(1,288)
Current tax charge for the year (see note 5.a)	282	(147)	32	74

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

c Deferred tax

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
The deferred tax asset is made up as follows:				
Provision at start of year	(83)	(100)	–	–
Charge for the year (see note 5.a)	94	17	–	–
(Debtor)/provision at end of year	11	(83)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:				
Gross interest distribution for the six months ended 31 March	3,351	3,476	3,351	3,476
Gross interest distribution for the six months ended 30 September	1,574	3,263	1,574	3,263
	4,925	6,739	4,925	6,739
Add: Revenue deducted on cancellation of shares	–	–	–	–
Deduct: Revenue received on issue of shares	–	–	–	–
Distributions	4,925	6,739	4,925	6,739
Reconciliation of distributions for the year to net revenue after taxation				
Distributions for the year	4,925	6,739	4,925	6,739
Equalisation on conversions	–	(3)	–	(3)
Net expenses payable from capital	(5)	–	(5)	–
Net revenue after taxation	4,920	6,736	4,920	6,736

Details of the distributions per share are set out in the distribution tables on pages 48 and 49.

7 Fair value hierarchy

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.16 Assets £000	As at 30.09.15 Assets £000	As at 30.09.16 Assets £000	As at 30.09.15 Assets £000
Quoted prices for identical instruments in active markets	–	12,563	–	12,563
Prices of recent transactions for identical instruments	12,402	–	12,402	–
Valuation techniques using non-observable data	144,409	146,009	144,857	144,947
Total value	156,811	158,572	157,259	157,510

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)

8 Debtors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Accrued revenue	720	350	15,647	12,813
Amounts due from Aviva Investors International Property Fund*	190	163	190	163
Deferred tax debtor	11	83	–	–
Other debtors	927	909	–	–
Overseas tax recoverable	1	21	1	21
Prepaid expenses	1,252	1,221	–	–
VAT recoverable	2,683	2,344	–	–
Total debtors	5,784	5,091	15,838	12,997

* Aviva Investors International Property Fund (AIIPF) was terminated on 21 January 2011 and all of its assets transferred to the Company. AIIPF is in the process of being wound up. The proceeds of this winding up exercise are recorded as Amounts due from Aviva Investors International Property Fund until final settlement.

9 Cash and bank balances

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Cash and bank balances	19,912	31,002	3,044	8,801

10 Cash equivalents

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Aviva Investors Euro Liquidity Fund Class 3, Income shares, EUR	12,402	21,769	12,402	21,769

11 Provisions

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.16 £000	As at 30.09.15 £000	As at 30.09.16 £000	As at 30.09.15 £000
Deferred tax provision	11	–	–	–
Total provisions	11	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Other creditors

	Consolidated		Aviva Investors European Property Fund	
	As at 30.09.16 £000	Restated* As at 30.09.15 £000	As at 30.09.16 £000	Restated* As at 30.09.15 £000
Accrued expenses	821	868	196	342
Deferred income	717	9,932	–	–
Income tax payable	–	15	–	–
Other creditors	776	108	–	–
Overseas tax provision	1,288	1,965	–	–
Refundable rent deposits	69	94	–	–
Trade creditors	217	458	–	–
VAT payable	2,663	2,259	–	–
Total other creditors	6,551	15,699	196	342

* Refer to the accounting policies note on page 38.

13 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2015: £nil).

14 Reconciliation of movement in net cash

	Consolidated £000	Aviva Investors European Property Fund £000
Cash and cash equivalents:		
As at 30.09.15	52,771	30,570
Cashflows	(20,457)	(15,124)
As at 30.09.16	32,314	15,446

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

	Consolidated		Aviva Investors European Property Fund	
	Year ended 30.09.16 £000	Year ended 30.09.15 £000	Year ended 30.09.16 £000	Year ended 30.09.15 £000
Total return before distributions	18,615	(9,837)	18,615	(9,837)
Net capital (losses)/gains	(13,695)	16,573	(13,695)	16,573
Taxation	376	(130)	32	74
(Increase)/decrease in debtors (excluding capital items)	(749)	1,472	(2,814)	2,654
Increase/(decrease) in creditors (excluding capital items)	745	(106)	(105)	21
Net cash inflow from operating activities	5,292	7,972	2,033	9,485

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Related party transactions

Management charges and registration fees paid to the ACD are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of management charges was £116,000 (2015: £150,000) and registration fees was £14,000 (2015: £18,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 12.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,432,000 (2015: £3,391,000). The amount outstanding at the year end was £1,089,000 (2015: £1,647,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

Any investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement. The total purchases and sales on these investments during the year amounted to £11,393,000 (2015: £nil) and £24,000 (2015: £nil) respectively. The income received during the year amounted to £nil (2015: £nil).

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

	Holdings at 30.09.16 (shares)	Movement (shares)	Holdings at 30.09.15 (shares)
ACD and related parties (share class A (GBP) income)	1,483,900	(343,232)	1,827,132
ACD and related parties (share class R (GBP) income)	5,811,695	(873,424)	6,685,119
ACD and related parties (share class I (GBP) income)	91,569,267	(20,813,776)	112,383,043
ACD and related parties (share class A (EUR) accumulation)	5,719,370	(1,336,647)	7,056,017
ACD and related parties (share class I (EUR) accumulation)	30,627,036	30,627,036	–

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

17 Shareholder funds

The Fund currently has 3 share classes: Classes A and R (Retail) and Class I (Institutional). The annual management charges are as follows:

Class A: 1.50%

Class R: 1.50%

Class I: 0.75%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 30 and 31. The distributions per share class are given in the distribution tables on pages 48 and 49. All the share classes have the same rights on winding up.

18 Shares in issue reconciliation

	Number of shares in issue at 30.09.15	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 30.09.16
Share class A (GBP) income	1,894,707	–	(357,589)	8,849	1,545,967
Share class A (EUR) income	64,677	–	(12,164)	–	52,513
Share class R (GBP) income	11,541,762	106,278	(2,178,888)	(109,180)	9,359,972
Share class I (GBP) income	114,339,887	281,248	(21,548,034)	99,907	93,173,008
Share class A (EUR) accumulation	7,909,109	–	(1,487,559)	–	6,421,550
Share class A (USD) accumulation	82,650	–	(15,645)	–	67,005
Share class I (EUR) accumulation	54,352,130	–	(10,935,077)	–	43,417,053

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Derivatives and other financial instruments

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

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2015: £nil).

Foreign currency risk

At the year end date, 100.57% (2015: 101.18%) of the net assets of the Company were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Company would change by 10.06%.

At the year end date, 100.57% (2015: 101.18%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Fund would change by 10.06%.

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

Currency	Net foreign currency assets					
	Consolidated			Aviva Investors European Property Fund		
	Non monetary exposure £000	Monetary exposure £000	Total £000	Non monetary exposure £000	Monetary exposure £000	Total £000
	30.09.15	30.09.15	30.09.15	30.09.15	30.09.15	30.09.15
Euro	143,364	40,386	183,750	141,149	41,912	183,061
Norwegian Krone	59	–	59	59	–	59
Swedish Krona	17,390	(313)	17,077	16,302	1,464	17,766

Interest rate risk

At the year end date 18.47% (2015: 21.98%) of the net assets of the Company were interest bearing.

At the year end date 91.64% (2015: 88.40%) of the net assets of the Fund were interest bearing.

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

Currency	Consolidated				Aviva Investors European Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	216	–	–	216	216	–	–	216
Euro	31,332	–	128,094	159,426	83,557	61,656	13,612	158,825
Swedish Krona	754	–	15,734	16,488	198	14,664	2,227	17,089
US Dollar	11	–	–	11	11	–	–	11
Financial Liabilities								
Sterling	(1,211)	–	–	(1,211)	(1,211)	–	–	(1,211)
Total	31,102	–	143,828	174,930	82,771	76,320	15,839	174,930

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

The interest rate profile of the financial assets and liabilities at 30 September 2015 was:

Currency	Consolidated				Aviva Investors European Property Fund			
	Floating Rate £000	Fixed Rate £000	None £000	Total £000	Floating Rate £000	Fixed Rate £000	None £000	Total £000
Financial Assets								
Sterling	189	–	2	191	189	–	2	191
Euro	42,863	154	140,733	183,750	91,167	69,631	22,263	183,061
Norwegian Krone			59	59	–	–	59	59
Swedish Krona	438	–	16,639	17,077	159	14,370	3,237	17,766
Financial Liabilities								
Sterling	–	–	(2,537)	(2,537)	–	–	(2,537)	(2,537)
Total	43,490	154	154,896	198,540	91,515	84,001	23,024	198,540

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

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

Market price risk

At the year end date, 7.09% (2015: 17.29%) of the net assets of the Company were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If Sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Company would change by 0.71%.

At the year end date, 7.09% (2015: 17.29%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If Sterling was to move in value by 10.00% against all currencies simultaneously, the value of the Fund would change by 0.71%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Direct transaction costs

Due to the nature of the investments held, no transaction costs or taxes were incurred on the Company's purchases or sales during the current year ended 30 September 2016 (2015: £nil).

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

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

	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
30.09.15						
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(4,013)	(2)	(20)	(4,035)	0.05%	0.50%
Bonds	(3,321)	–	–	(3,321)	0.00%	0.00%
Purchases (including corporate actions)						
Equities	(558)	–	–	(558)	0.00%	0.00%
	(7,892)	(2)	(20)	(7,914)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	1,819	(2)	–	1,817	0.11%	0.00%
Bonds	9,722	–	–	9,722	0.00%	0.00%
	11,541	(2)	–	11,539		
Total		(4)	(20)			
Percentage of Fund average net assets		0.00%	0.01%			

21 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2015: nil). The sales for the following Properties have now been completed. Zamdorfer Straße 88, 81677, Munich, Germany (December 2016) for value €14.6m. Megaron B, 17-19, Dynamostraße, Germany (December 2016) for value €22.3m.

DISTRIBUTION TABLES

Final distribution payable in pence/cents per share for the six months ended 30 September 2016

Income shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Final distribution payable 30 November 2016	Final distribution paid 30 November 2015
Class A (GBP)	Group 1	0.6119p	0.1224p	0.4895p	–	0.4895p	1.0212p
Class A (EUR)	Group 1	0.6085c	0.1217c	0.4868c	–	0.4868c	1.1843c
Class R (GBP)	Group 1	0.6084p	0.1217p	0.4867p	–	0.4867p	1.0622p
Class I (GBP)	Group 1	0.9974p	0.1995p	0.7979p	–	0.7979p	1.3150p

Accumulation shares		Gross revenue	Income tax at 20%	Net revenue	Equalisation	Final distribution payable 30 November 2016	Final distribution paid 30 November 2015
Class A (EUR)	Group 1	0.7893c	0.1579c	0.6314c	–	0.6314c	1.5354c
Class A (USD)	Group 1	1.5853c	0.3171c	1.2682c	–	1.2682c	3.0883c
Class I (EUR)	Group 1	1.3809c	0.2762c	1.1047c	–	1.1047c	2.1597c

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 31 March 2016.

Interim distribution paid in pence/cents per share for the six months ended 31 March 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2016	Interim distribution paid 31 May 2015
Class A (GBP)	Group 1	1.6805p	0.3361p	1.3444p	–	1.3444p	1.0795p
	Group 2	1.6805p	0.3361p	1.3444p	0.0000p	1.3444p	1.0795p
Class A (EUR)	Group 1	1.8219c	0.3644c	1.4575c	–	1.4575c	1.2727c
	Group 2	1.8219c	0.3644c	1.4575c	0.0000c	1.4575c	1.2727c
Class R (GBP)	Group 1	1.6725p	0.3345p	1.3380p	–	1.3380p	1.0599p
	Group 2	1.6725p	0.3345p	1.3380p	0.0000p	1.3380p	1.0599p
Class I (GBP)	Group 1	2.1086p	0.4217p	1.6869p	–	1.6869p	1.3948p
	Group 2	2.0351p	0.4070p	1.6281p	0.0588p	1.6869p	1.3948p

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2016	Interim distribution paid 31 May 2015
Class A (EUR)	Group 1	2.3728c	0.4746c	1.8982c	–	1.8982c	1.6345c
	Group 2	2.3728c	0.4746c	1.8982c	0.0000c	1.8982c	1.6345c
Class A (USD)	Group 1	4.8626c	0.9725c	3.8901c	–	3.8901c	3.1566c
	Group 2	4.8626c	0.9725c	3.8901c	0.0000c	3.8901c	3.1566c
Class I (EUR)	Group 1	3.1763c	0.6353c	2.5410c	–	2.5410c	2.2903c
	Group 2	3.0659c	0.6132c	2.4527c	0.0883c	2.5410c	2.2903c

Interim Distribution

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

Group 2 shares are those shares purchased after 12:00 noon on 30 September 2015.

Equalisation

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

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence/cents per share for the six months ended 31 March 2016

Income shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2016	Interim distribution paid 31 May 2015
Class A (GBP)	Group 1	1.6805p	0.3361p	1.3444p	–	1.3444p	1.0795p
	Group 2	1.6805p	0.3361p	1.3444p	0.0000p	1.3444p	1.0795p
Class A (EUR)	Group 1	1.8219c	0.3644c	1.4575c	–	1.4575c	1.2727c
	Group 2	1.8219c	0.3644c	1.4575c	0.0000c	1.4575c	1.2727c
Class R (GBP)	Group 1	1.6725p	0.3345p	1.3380p	–	1.3380p	1.0599p
	Group 2	1.6725p	0.3345p	1.3380p	0.0000p	1.3380p	1.0599p
Class I (GBP)	Group 1	2.1086p	0.4217p	1.6869p	–	1.6869p	1.3948p
	Group 2	2.0351p	0.4070p	1.6281p	0.0588p	1.6869p	1.3948p

Accumulation shares		Gross revenue	Income tax	Net revenue	Equalisation	Interim distribution paid 31 May 2016	Interim distribution paid 31 May 2015
Class A (EUR)	Group 1	2.3728c	0.4746c	1.8982c	–	1.8982c	1.6345c
	Group 2	2.3728c	0.4746c	1.8982c	0.0000c	1.8982c	1.6345c
Class A (USD)	Group 1	4.8626c	0.9725c	3.8901c	–	3.8901c	3.1566c
	Group 2	4.8626c	0.9725c	3.8901c	0.0000c	3.8901c	3.1566c
Class I (EUR)	Group 1	3.1763c	0.6353c	2.5410c	–	2.5410c	2.2903c
	Group 2	3.0659c	0.6132c	2.4527c	0.0883c	2.5410c	2.2903c

Interim Distribution

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Group 2 shares are those shares purchased after 12:00 noon on 30 September 2015.

Equalisation

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

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

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

In preparing the financial statements the ACD is required to:

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

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

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

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Property Funds ICVC for the year ended 30 September 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
27 January 2017

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

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

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

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

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

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

Citibank Europe plc, UK Branch
London
27 January 2017

INDEPENDENT PROPERTY VALUER'S REPORT TO THE SHAREHOLDERS OF THE AVIVA INVESTORS EUROPEAN PROPERTY FUND

We confirm that we have valued the immovables of Aviva Investors European Property Fund as at 30 September 2016 in accordance with the regulations and RICS Valuation – Professional Standards, March 2012 published by the Royal Institution of Chartered Surveyors. The reported figure represents the sum of the market values of those individual immovables.

Each property is inspected by us at the time of purchase and subsequently at least once each year. We are of the opinion that, as at 30 September 2016, the market value of the immovables of Aviva Investors European Property Fund were 151,614,000 Euros and 185,020,000 Swedish Krona.

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

CBRE Limited
London
27 January 2017

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

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Aviva Investors Property Funds ICVC financial statements (the "financial statements of the Company"):

- give a true and fair view of the financial position of the Company and each of the Funds as at 30 September 2016 and of the net revenue and the net capital gains of the scheme property of the Company and each of the Funds 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 Instrument of Incorporation.

EMPHASIS OF MATTER - BASIS OF PREPARATION

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

WHAT WE HAVE AUDITED

Aviva Investors Property Funds ICVC (the "Company") is an umbrella fund with a number of Funds. The financial statements of the Company, included within the Annual Report and Financial Statements (the "Annual Report") comprise the financial statements of each of the Funds, which are prepared by Aviva Investors UK Funds Services Limited (the "Authorised Corporate Director"), and comprise for each of the Funds:

- the consolidated balance sheet and the fund balance sheet as at 30 September 2016;
- the consolidated statement of total return and the fund statement of total return for the year then ended;
- the consolidated statement of change in net assets attributable to shareholders and the fund statement of change in net assets attributable to shareholders for the year then ended;
- the consolidated cash flow statement and the fund cash flow statement for the year then ended;
- the accounting policies and notes applicable to the financial statements of all Funds and notes to the financial statements of individual Funds, which include other explanatory information; and
- the distribution table

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 Instrument of Incorporation.

In applying the financial reporting framework, the Authorised Corporate Director 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 Corporate Director Report for the financial period 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 CORPORATE DIRECTOR

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities set out on page 50 the Authorised Corporate Director 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 International Standards on Auditing (UK and Ireland) ("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 Company's members as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with 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 Company's and each of the Company's Funds' circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Corporate Director; 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 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
27 January 2017

(a) The maintenance and integrity of the Aviva Investors website is the responsibility of the directors; 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.

GENERAL INFORMATION

Investments in Aviva Investors Property Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

The value of an investment in the funds and the revenue from it may go down as well as up, and you may not get back the original amount invested.

Where funds are invested abroad, the value of your investment may rise and fall purely on account of movement in exchange rates.

Please refer to the Key Investor Information Document (which is available on the internet at www.avivainvestors.com or from the ACD on request) for a full description of the risks involved when investing in the Funds.

Any future returns and opinions expressed are those of the Investment Manager and should not be relied upon as indicating any guarantee of return from investment in the Funds.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

The value of capital and revenue will fluctuate as property values and rental income rise and fall and the value of dividends, Government and other public securities and units in collective investment schemes change.

Property valuations are a matter of opinion and all properties are valued monthly by an independent valuer. Market conditions may mean certain property valuations are not easily realisable. Investors may not be able to switch or cash in their investment when they want because property in the Fund may not be readily saleable. If this is the case, we may defer a request to cash in shares. Dealing in the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund is suspended and the Funds are in the process of being closed.

Publication of Prices

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

