



Structure and investment objective

The fund is a UK Non-UCITS Retail Scheme.

Fund objective: To obtain a consistent income return with some capital appreciation, through investment principally in real property and with exposure to investments including bonds, government and other public securities, and units in collective investment schemes.

Investment approach: In order to achieve its objective the Scheme will primarily invest in:

- Real property which will, initially, be properties within the United Kingdom. The manager may, in due course, consider it appropriate to invest in real property in other permitted countries;
- Units in regulated and unregulated collective investment schemes, each to the extent permitted for the Scheme.

The Scheme may invest up to 100% of its property in real property but will typically invest between 80% and 90% of its property in real property and collective investment schemes that are principally invested in real property.

Fund Manager



Philip Nell was appointed manager of the Aviva Investors Property Investment Fund from October 2007. In addition, he is also the fund manager of the Aviva Investors Property Trust.

Philip joined Aviva Investors in February 1999 and has undertaken several roles including: responsibility for purchases and sales of industrial investments for the Norwich Union Life Fund; Fund Manager of the CGNU Shareholders Fund and Fund Manager of a segregated portfolio of a corporate and local authority client.

He was appointed fund manager for The Mall Shopping Centre Fund in May 2002. Previously, he worked for Jones Lang LaSalle in the National Investment Team.

Philip holds a degree in Estate Management, a Diploma in Property Investment from the Investment Property Forum and is a Member of the Royal Institution of Chartered Surveyors. Up until recently he was a member of the Academic Faculty of the Investment Property Forum and a Module Leader on its Investment Education Programme. He is also a member of Real Estate Funds Regulation Committee.

Fund manager comment

The aim of the fund is to invest principally in direct commercial real estate but with the option to complement this with some exposure to property-related corporate bonds.

The direct property holdings comprise properties within our preferred market sectors – principally properties which generate an above-average income return, secured against medium to long-term leases.

The fund didn't complete any sale or purchase over the month.

The fund continues to focus on a number of asset management initiatives which aim to enhance the value of the properties in the existing portfolio.

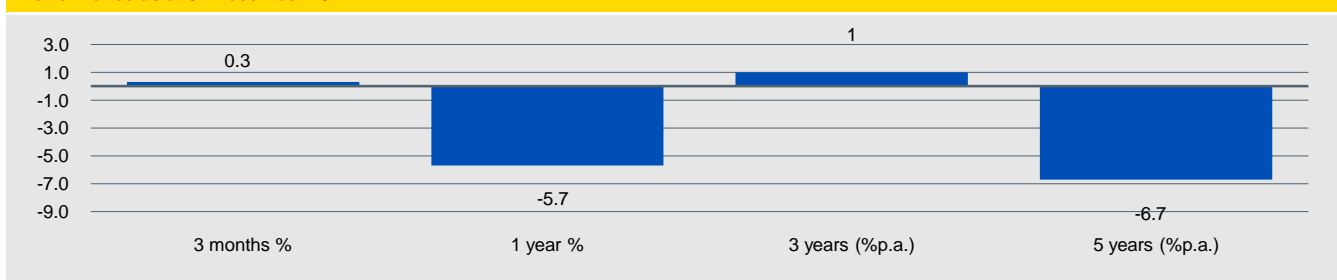
Why invest?

- Easy access to the commercial real estate market
- No gearing or complex share structure
- Utilises Aviva Investors core skills and expertise

Why Aviva Investors?

- Global asset management house with over 30 years' experience in managing investments for our clients.
- At 30 June 2011, Aviva Investors had over £24bn of real estate assets under management.
- We have managed the Aviva Investors Property Trust since its inception in 1991.

Performance as at 31 December 2011



Source: Lipper Hindsight, bid to bid, net income reinvested.
Past performance is not a guide to the future.

On 18 March 2011 the fund moved to a “minimum bid (cancellation) price basis”. The move in pricing basis will have impacted performance. For more information please go to the 'Important Information' at the end of this document or contact Sales Support on 0800 0154 773.

Top ten holdings

Name of property

Red Lion Street, London W1 (office)

Grampian House, Aberdeen (office)

The Nethergate Centre, Dundee (office)

North Ayrshire Retail Park, Irvine (retail warehouse)

Taurus, Warrington (industrial)

Bard's Walk, Stratford Upon Avon (retail)

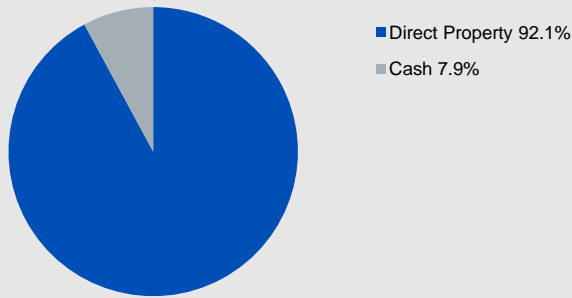
Gazelle Close, Winnersh, (retail warehouse)

Leander House, Fareham (office)

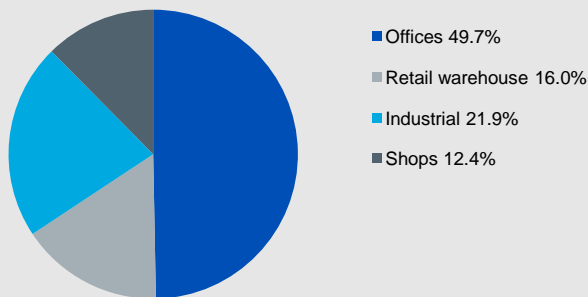
Brotherswood Court, Bristol (office)

Dudley, Quay House (office)

Portfolio sector weightings



Direct property exposure



Contact information for investment professionals

For fund information, dealing and administration telephone 0800 587 4563. Calls will be recorded for training and monitoring purposes.

Fund facts

Fund manager	Philip Nell
Joined Aviva Investors	1999
Launch date	24 March 2003
Fund size ¹	£131.6m
Price (offer)	71.9p
No. of direct property holdings	23
Historic yield ²	5.30%
Distribution dates	15 March/June/Sept/Dec
Minimum initial investment	£1,000
Additional single payments	From £250
Annual management charge	1.25% from capital
Initial charge	5%
IMA sector	Property
Unit type	Distribution

1. Excluding accumulated income.

2. The historic yield reflects distributions declared over the past 12 months as a percentage of the mid-market unit price, as at the date below. The fund's expenses are charged to capital. This has the effect of increasing the distribution for the year by 1.25% and constraining the fund's capital performance to an equivalent extent. The yield does not include any preliminary charge. It is net of tax for a basic rate taxpayer; higher rate taxpayers will be subject to further tax on their distributions.

Important Information

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited ("Aviva Investors") as at 31 December 2011. Investment into the Aviva Investors Property Investment Fund is provided by Aviva Investors UK Fund Services Limited.

A decision has been taken by Aviva Investors UK Fund Services Limited to switch the fund from an offer price basis to a bid price (cancellation) basis following a return to negative net cashflows. When the fund is on an offer price basis, the fund is generally experiencing positive net daily cashflows, which means that for anyone redeeming units the Manager is effectively able to "sell" their holding to new investors thus being able to offer terms to exiting investors that did not reflect the costs involved with transacting in the property market. Currently, however, the fund has been experiencing a higher frequency of negative net daily cashflows and thus has moved to a lower pricing basis in order to reflect the full costs of buying and selling property (including Stamp Duty, valuation and legal costs). This will have impacted fund performance over some time periods. For more information please contact Sales Support on 0800 0154 773.

Aviva Investors' approach to valuing property funds reflects standard industry practice for all investment funds, though the impact on property funds by the price moving from an offer to bid price basis and vice versa is greater than it would be for equity and bond funds because of the higher buying costs associated with property. We believe that it is fair and equitable to both existing and exiting investors.

Past performance is not a guide to the future. The value of an investment in the fund and any income from it may go down as well as up and the investor may not get back the original amount invested. Full details can be found in the Simplified Prospectus which, together with the Report & Accounts, is available free of charge from us on request.

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 we may defer their request to switch or cash in their units. The value of property is a matter of a valuer's opinion rather than fact.

Unless stated otherwise any opinions expressed are those of Aviva Investors Global Services Limited ("Aviva Investors"), the investment adviser to the scheme. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature.

Telephone calls may be recorded for training and monitoring purposes.

Aviva Investors Global Services Limited, registered in England No. 1151805. Registered Office: No. 1 Poultry, London EC2R 8EJ. Authorised and regulated in the UK by the Financial Services Authority and a member of the Investment Management Association.

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

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