

# AVIVA INVESTORS UK PROPERTY FEEDER TRUST

Product Reference: 694989

## Prospectus

This Prospectus is dated, and is valid as at 27 March 2024

Aviva Investors UK Fund Services Limited

[avivainvestors.com](https://avivainvestors.com)





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## SECTION 1 - GENERAL INFORMATION

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### INTRODUCTION

**THIS DOCUMENT IS IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION IN THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

This is the Prospectus of Aviva Investors UK Property Feeder Trust (the "Scheme") valid as at 27 March 2024. This Prospectus has been prepared by Aviva Investors UK Fund Services Limited (the "Manager") in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and Investment Funds Sourcebook (FUND).

**Please note that the Sub-funds of the Scheme investing in the Aviva PAIF are in the process of being terminated and are no longer available for new investment.**

In the event that a rule in COLL which applies to the Manager (or the Depositary of the Scheme) conflicts with either a rule in FUND transposing the AIFMD or the AIFMD Level 2 Regulation, the COLL Rule is modified to the extent necessary to be compatible with the FUND Rule or the AIFMD Level 2 Regulation.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Units in the Sub-funds. Investors should only consider investing in the Sub-funds if they understand the risks involved including the risk of losing all capital invested.

The Scheme is an authorised unit trust scheme constituted by trust deed dated 6 July 2015 between the Manager and Citibank International Limited (the "Trust Deed"). Pursuant to a restructuring event which took place under the European Cross-Border Merger Directive 2005/56/EC on 1 January 2016, all contractual obligations of Citibank International Limited (as former depositary) were automatically transferred by operation of law to Citibank Europe plc, UK Branch. Pursuant to a deed of retirement of appointment effective 1<sup>st</sup> December 2018 between the Manager, Citibank Europe plc, UK Branch and J.P. Morgan Europe Limited, Citibank Europe plc retired as trustee of the Scheme and J.P. Morgan Europe Limited replaced it as trustee of the Scheme in accordance with the Trust Deed.

The Scheme received its authorisation order on 6 July 2015 and is regulated by the Financial Conduct Authority. The Scheme is classified by the FCA as a Non-UCITS Retail Scheme and is an alternative investment fund (or "UK AIF").

### Reliance

The Manager is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that it is the case) the information contained in this document is in accordance with the facts, does not contain any untrue or misleading statement and does not omit anything likely to affect the importance of such information or any matters required by the UK AIFM Regime and the Financial Conduct Authority's

COLL Sourcebook to be included in it. The Manager accepts responsibility for this Prospectus accordingly.

This Prospectus has been approved by The Manager for the purpose of section 21 of the Financial Services and Markets Act 2000.

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this Prospectus or the issue of Units will not, under any circumstances, create any implication that the matters stated in this Prospectus or the affairs of the Scheme have remained unchanged since the date of this Prospectus.

**This Prospectus is based on information, law and practice at the date of this Prospectus. This Prospectus will be updated pursuant to the requirements of the COLL and the UK AIFM Regime and will cease to be valid on the publication by the Manager of a subsequent Prospectus. The Manager cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the Manager that this is the most recently published Prospectus. The Manager will not be bound by or accept any liability either in respect of any application for Units made on the basis of this Prospectus or in respect of any reliance on this Prospectus once it has been superseded.**

**Potential investors should not treat the contents of this document as advice relating to investment, legal, taxation or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.**

**Before acquiring Units in the Scheme, please ensure you have received the Scheme's most recent and up to date version of this Prospectus and Key Investor Information Document and, if you wish, the latest annual or half yearly report, and the Supplementary Information Document.**

Details of how you may obtain these, and other documents of the Scheme are set out in this Prospectus. (Details of how you may obtain the latest price of Units are also set out in this Prospectus.)

The provisions of the Scheme's Trust Deed are binding on each of the Unitholders (who are taken to have notice of this). A copy of the Trust Deed is available on request.

Copies of this Prospectus have been sent to the Financial Conduct Authority and to the Trustee and Depositary.

## **Restrictions on Distribution**

The distribution of this Prospectus and the offering or sale of Units in certain jurisdictions may be restricted by law. No action has been taken by the Manager that would permit an offer of Units or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in the United Kingdom. Accordingly, it is the responsibility of any persons into whose possession this Prospectus comes and any persons wishing to make an application for Units pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

This Prospectus does not constitute an offer or an invitation to purchase or subscribe for any Units by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or invitation.

Prospective applicants for Units should inform themselves as to the legal requirements and consequences of applying for, holding, converting and disposing of Units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. Persons into whose possession this Prospectus comes are required by the Scheme and the Manager to inform themselves about and to observe any such restrictions.

The Scheme, the Manager or both may have obligations to report details of Unitholders and their interest in the Scheme to HM Revenue and Customs. This is because the UK has entered into intergovernmental information exchange agreements with the United States of America (as a result of the Foreign Account Tax Compliance Act (“FATCA”)) and other countries (as a result of the Common Reporting Standard (the “CRS”)) and has introduced domestic law to implement the requirements of those regimes. Consequently, the Scheme is required to collect and/or report information about certain types of Unitholders in the Scheme. Such information may include the identity of Unitholders, their tax identification numbers, their status under the information exchange agreements, their tax residency status, payments made to the Unitholders in respect of their Units and the value of their Units at the end of the calendar year. The Scheme may pass this information to HM Revenue & Customs who may, if necessary, share this information with overseas government agencies (including those outside the EEA).

Although it is the intention of the Manager that the Scheme shall comply with the FATCA provisions, the Manager is not able to guarantee that this will always be the case. Any failure in this regard may result in withholding tax of 30% being deducted from US sourced payments. Were such tax to be suffered, it shall be charged to the relevant Sub-fund.

A condition of investing, or of continuing to invest, is that, upon request from the Manager or its delegate, Unitholders provide accurate information to be passed on to HM Revenue & Customs which may, as already stated, be shared with other overseas government agencies.

A condition of investing, or of continuing to invest, is that, upon request from the Scheme or its delegate, Unitholders provide accurate information to be passed on to HM Revenue & Customs or, if necessary (and where permitted), overseas government agencies.

References to times in this Prospectus are to local times in London unless otherwise stated.

This Prospectus and subscriptions are governed by and at all times subject to the laws of England and Wales. The Courts of England shall have exclusive jurisdiction in relation to any claim made in relation to it. All dealing, correspondence and communication with investors in relation to this Prospectus with investors shall take place in English.

## A. Definitions

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<b>“Accumulation Units”</b>	means Units (of whatever Class) issued from time to time in respect of a Sub-fund and in respect of which income allocated thereto is credited periodically to capital pursuant to the COLL Sourcebook;
<b>“ACD”</b>	means Aviva Investors UK Fund Services Limited in its capacity as authorised corporate director of the Aviva PAIF (please note that the Aviva PAIF is in the process of being terminated and is no longer available for new investment);
<b>“Administrator”</b>	means the administrator of the Trust, SS&C Financial Services Europe Limited or such other entity as is appointed to act as administrator to the Trust from time to time;
<b>“AIF Tax Regulations”</b>	means the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964) as amended or re-enacted from time;
<b>“AIFM Directive” or “AIFMD”</b>	means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
<b>“AIFM Regulations”</b>	means the Alternative Investment Fund Managers Regulations 2013 as amended or re-enacted from time to time which implements the AIFM Directive in the UK;
<b>“AIFMD Level 2 Regulation”</b>	means the UK version of Commission delegated regulation (EU) No 231/2013 supplementing Directive 2011/16/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, which is part of UK law by virtue of the EUWA;
<b>“Approved Bank”</b>	means (in relation to a bank account opened by the Trustee):

- (a) if the account is opened at a branch in the United Kingdom:
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the OECD; or
  - (iii) a bank; or
  - (iv) a building society; or
  - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank,
- (d) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator

and for the purposes of the COLL Sourcebook, any person falling within (a) to (c) above as such may be updated in the glossary of definitions in the FCA Handbook from time to time;

**“Associate”**

is as defined in the glossary to the FCA Handbook;

**“Auditor”**

means the auditors of the Scheme PricewaterhouseCoopers LLP, or such other entity as is appointed to act as auditor to the Trust from time to time;

**“Aviva PAIF” or “Fund”**

means the Aviva Investors UK Property Fund, details of which are set out in Section 2. **Please note the Aviva PAIF is in the process of being terminated and is no longer available for new investment;**

**“Body Corporate”**

means a body corporate incorporated in any jurisdiction (including within the UK) or any entity treated as a body corporate for tax

	purposes in any jurisdiction with which the UK has any form of double tax treaty or other arrangement to relieve double taxation which has effect in the UK by Order;
<b>“Business Day”</b>	means Monday to Friday, and other days at the Manager’s discretion, except for (unless the Manager otherwise decides) a bank holiday in England and Wales or any other day on which the London Stock Exchange is closed;
<b>“Class” or “Classes”</b>	means, in relation to Units, (according to the context) all of the Units relating to a single Sub-fund of the Scheme or a particular class or classes of Unit relating to a single Sub-fund and in relation to Shares means (according to the context) all of the Shares of the Aviva PAIF or a particular class or classes of shares of the Aviva PAIF (please note that the Aviva PAIF is in the process of being terminated and is no longer available for new investment);
<b>“COLL”</b>	refers to the appropriate chapter or rule in the COLL Sourcebook;
<b>“COLL Sourcebook”</b>	means the Collective Investment Schemes Sourcebook issued by the FCA as part of the FCA Handbook, as amended or replaced from time to time;
<b>“Conversion”, “Convert” or “Converted”</b>	means the conversion of Units in one Class in a Sub-fund for Units of another Class within the same Sub-fund;
<b>“Conversion Fee”</b>	means the fee charged in respect of a Conversion and referred to in more detail in the section headed “Charges and Expenses of the Scheme” below;
<b>“Custodian”</b>	means the custodian of the Scheme Property, JPMorgan Chase Bank, National Association (London Branch);
<b>“Dealing Day”</b>	means Monday to Friday except for (unless the Manager otherwise decides) the last working day before Christmas, a bank holiday in England and Wales or any other day on which the London Stock Exchange is closed and other days at the Manager’s discretion;

<b>“Depository”</b>	means the depository of the Scheme, J.P. Morgan Europe Limited, or such other entity as is appointed to act as depository from time to time;
<b>“Distribution Period”</b>	means each period by reference to which income is calculated, be it the annual accounting period or the interim half-yearly accounting period, as appropriate;
<b>“EEA”</b>	the European Economic Area;
<b>“EEA State”</b>	a member state of the European Union and any other state which is within the EEA, in each case, from time to time;
<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;
<b>“Entry Charge”</b>	means the fee charged on a purchase of Units and referred to in more detail in the section headed “Charges and Expenses of the Scheme” below and previously referred to as the “initial charge”;
<b>“EUWA”</b>	means the European Union (Withdrawal) Act 2018;
<b>“Exit Charge”</b>	means the fee charged on redemption of Units and referred to in more detail in the section headed “Charges and Expenses of the Scheme” below and previously referred to as the “redemption charge”;
<b>“Financial Conduct Authority” or “FCA”</b>	the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN, or any other regulatory body which may assume its regulatory responsibilities from time to time;
<b>“FCA Handbook”</b>	the FCA Handbook of Rules and Guidance made by the Financial Conduct Authority pursuant to the Financial Services and Markets Act 2000, as amended or re-issued from time to time;
<b>“FUND”</b>	refers to the relevant chapter or rule in the FUND Sourcebook;
<b>Fund Management Fee</b>	means the single fixed rate charge (subject to any applicable scale discount) paid from the Scheme Property of a Sub-fund to cover the fees and expenses in relation to the operation and administration of the Scheme and/or that Sub-fund and referred to in more detail in the

	section headed “Charges and Expenses of the Scheme” below;
<b>“FUND Sourcebook”</b>	means the Investment Funds Sourcebook issued by the Financial Conduct Authority as part of the FCA Handbook, as amended or re-issued from time to time;
<b>“HMRC” or “HM Revenue and Customs”</b>	His Majesty's Revenue and Customs;
<b>“Home State Regulator”</b>	has the meaning ascribed to it in the glossary of definitions to the Financial Conduct Authority Handbook;
<b>“Income Units”</b>	means Units (of whatever Class) issued from time to time in respect of a Sub-fund and in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the COLL Sourcebook;
<b>“Manager”</b>	Aviva Investors UK Fund Services Limited, the manager of the Trust;
<b>“MiFI Regulations”</b>	means the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701);
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property of the Scheme or of any Sub-fund (as the context requires) less the liabilities of the Scheme or that Sub-fund as calculated in accordance with the Trust Deed;
<b>“NURS” or “Non-UCITS Retail Scheme”</b>	means a; non-UCITS retail scheme as defined in the glossary of definitions in the FCA Rules being a UK collective investment scheme which is not a UCITS Scheme but is approved by the FCA and available to retail investors in the UK;
<b>“Ongoing Charge”</b>	means the annual cost of operating the Scheme and the Sub-funds and referred to in more detail in the section headed “Charges and Expenses of the Scheme” below;
<b>“PAIF”</b>	an open-ended investment company, or sub-fund, which is a Property Authorised Investment Fund, as defined in Part 4A of the AIF Tax Regulations and the Glossary to the FCA Handbook. At the date of this Prospectus, the Aviva PAIF (please note that the Aviva PAIF is in the process of being terminated and is no

longer available for new investment) qualifies as a PAIF;

**“PRIIPs Regulation”**

means the UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), which is part of UK law by virtue of the EUWA;

**“Property Investment Business”** in respect of a PAIF, business consisting of any one or more of the following:

(a) property rental business (within the meaning given by section 519 of the Corporation Tax Act 2010, and the property rental business of any intermediate holding vehicle);

(b) owning shares in UK REITs; and

(c) owning shares or units in an entity where the following conditions are satisfied:

- the entity is a property company or a unit trust scheme or similar contractual arrangement which is not a collective investment scheme which has defined capital and in respect of which there is no obligation on the manager of the scheme to provide opportunities for redemption of the investment, and which is listed on a recognised stock exchange;
- the entity is not within the charge to UK corporation tax; and
- the entity is equivalent to a UK REIT in the jurisdiction in which the company is incorporated or as the case may be in which the unit trust scheme or similar contractual arrangement carries on business;

**“Register”**

means the register of Unitholders of the Trust;

<b>“Registrar”</b>	means the registrar of the Trust, SS&C Financial Services Europe Limited, or such other entity as is appointed to act as registrar to the Trust from time to time;
<b>“Regulations”</b>	means the FCA Handbook (including the COLL Sourcebook, FUND Sourcebook, the AIFM Regulations and the AIFM Directive (as appropriate));
<b>“Scheme Property”</b>	means the scheme property of the Trust or any Sub-fund (as the context may require);
<b>“Share” or “Shares”</b>	means a share or shares in the Aviva PAIF (please note that the Aviva PAIF is in the process of being terminated and is no longer available for new investment) (including fractions of shares, where relevant);
<b>“Shareholder”</b>	means a holder of Shares;
<b>“Sub-fund”</b>	means any (or all) of the sub-funds of the Trust (as the context dictates) listed in Section 3 of this Prospectus;
<b>“Switch” or “Switching”</b>	means the switch, where permissible, of Units of one Class or Sub-fund for Units of another Class or Sub-fund;
<b>“Switching Fee”</b>	means the fee charged in respect of a Switch and referred to in more detail in the section headed “Charges and Expenses of the Scheme” below;
<b>“Trust” or “Scheme”</b>	Aviva Investors UK Property Feeder Trust;
<b>“Trust Deed”</b>	the trust deed constituting the Trust, as amended from time to time;
<b>“Trustee”</b>	J.P. Morgan Europe Limited, or such other entity as is appointed to act as trustee from time to time;
<b>“UCITS”</b>	means an Undertaking for Collective Investment in Transferable Securities which is a UCITS Scheme or an EEA UCITS scheme, the latter as defined in the Financial Conduct Authority Handbook;
<b>“UCITS Directive”</b>	means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions

	relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended;
<b>“UCITS Scheme”</b>	means a UK UCITS, as defined below;
<b>“UK AIF”</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>“UK AIFM”</b>	means an alternative investment fund within the scope of the UK AIFM Regime and as defined in the Financial Conduct Authority Handbook;
<b>“UK AIFM Regime”</b>	<p>means an alternative investment fund manager established in the UK and with a Part 4A permission to carry on the regulated activity of managing an alternative investment fund;</p> <p>means (i) the FUND Sourcebook, (ii) other rules in the Financial Conduct Authority Handbook which when made implemented AIFMD, (iii) the AIFMD Level 2 Regulation and (iv) the AIFM Regulations;</p>
<b>“UK UCITS”</b>	means, in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA;
<b>“Unclaimed Money”</b>	means money held by the Manager in accordance with the FCA’s Client Asset (CASS) Rules, on behalf of a Unitholder following the sale of Units in a Sub-fund, or any other payment due to a Unitholder in respect of their investment in a Sub-fund, which the Manager has been unable to pay to the Unitholder. This excludes unclaimed distributions of income;
<b>“Unit” or “Units”</b>	a unit or units in the Trust or Sub-fund as the context may require (including fractions of units);

**“Unitholder”**

a holder of Units;

**“Valuation Point”**

the point, whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the Trust or a Sub-fund (as the case may be) for the purpose of determining the price at which Units of a Class in a Sub-fund may be issued, cancelled or redeemed, as described in the “Pricing of Units” section; and

**“VAT”**

value added tax.

## B. Umbrella Scheme

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This document constitutes the Prospectus for the Aviva Investors UK Property Feeder Trust and is valid as at the date hereof. The Scheme is an authorised unit trust scheme regulated by the Financial Conduct Authority, and received its authorisation order from the FCA on 6 July 2015. Unitholders are not liable for the debts of the Scheme.

**Please note that the Aviva PAIF, and therefore the Sub-funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.**

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

<b>Aviva Investors UK Property Feeder Inc Fund</b> (please note that this Sub-fund is in the process of being terminated and is no longer available for new investment)
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<b>Aviva Investors UK Property Feeder Acc Fund</b> (please note that this Sub-fund is in the process of being terminated and is no longer available for new investment)
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**Sub-funds investing in the Aviva PAIF** (please note that the Aviva PAIF, and therefore the Sub-funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment)

The Scheme is intended to enable certain investors who are not eligible or able to invest directly into the Aviva PAIF to do so indirectly through the Sub-funds. The Sub-funds in the Scheme invest solely into the relevant Share Class and type of Share of the Aviva PAIF as outlined in Section 3. The Aviva PAIF is invested in order to comply with the restrictions on Non-UCITS Retail Schemes which invest in property but which, in addition, is managed so as to comply with the property authorised investment fund or "PAIF" regime. Consequently, in addition to the generally applicable investment and borrowing powers and investment restrictions for a non UCITS retail scheme investing in property, the ACD will manage the Aviva PAIF in order to ensure that it complies with the relevant conditions to be a PAIF which include the following:

- (i) the Instrument of Incorporation and the Prospectus include a statement that the fund's investment objectives are to carry on Property Investment Business and to manage cash raised from investors for investment in Property Investment Business; and the fund must carry on Property Investment Business. The investment objective of the Aviva PAIF refers to such business and its investments will be made accordingly;
- (ii) it must meet the genuine diversity of ownership test. Details of this test as it applies to the Aviva PAIF are explained in Aviva PAIF prospectus.

- (iii) it must meet the loan creditor condition so that the Aviva PAIF cannot, in summary, be a party to a loan relationship as debtor where the interest depends to any extent on the results of all or part of the Aviva PAIF's business or the value of its assets or where the rate of return exceeds a reasonable commercial return or where the amount due on repayment exceeds the amount lent or is not reasonably comparable with the amount generally repayable under the terms of issue of securities listed on a recognised stock exchange;
- (iv) it must comply with the balance of business condition so that at least 60% of the Aviva PAIF's net income arises from its Property Investment Business, and at least 60% of the total value of its assets must be involved in such Property Investment Business; and
- (v) it must meet the corporate ownership test. No Body Corporate is beneficially entitled (directly or indirectly) to 10% or more of the net asset value of the Aviva PAIF. Arrangements have been put in place for investors which are Body Corporates so as to ensure that this corporate ownership test is met for the Aviva PAIF – further explanation is included in the Aviva PAIF prospectus.

### **Additional Funds**

Additional Sub-funds may be established in the future by the Manager from time to time with the approval of the Financial Conduct Authority and the agreement of the Trustee.

### **Allocation of Assets and Liabilities**

Each Sub-fund comprises a specific portfolio of assets and liabilities, which are attributable to the Class or Classes of Units issued in respect of that Sub-fund. The assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Trust, or any other Sub-fund, and shall not be available for any such purpose.

## C. Management of the Scheme

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The Manager and the Trustee may retain the services of other persons to assist them in performing their respective functions, provided such arrangements are in accordance with the UK AIFM Regime and the COLL Sourcebook. Details of delegations which have been put in place by the Manager and the Trustee respectively are identified in this Section C.

### 1. Regulatory Status

The Manager and the Administrator/Registrar are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

The Trustee is authorised by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

### Manager

The Manager is Aviva Investors UK Fund Services Limited. The Manager is a private company limited by shares and incorporated in England and Wales on 20 December 1985. The Manager is also authorised corporate director of the FCA authorised open-ended investment companies set out in Section 7 of this Prospectus.

The Manager is wholly owned by Aviva Investors Holdings Limited a company incorporated in the United Kingdom and within the Aviva Group of Companies. The ultimate parent company of Aviva Investors Holdings Limited is Aviva plc, a company incorporated in England and Wales.

The Directors of the Manager are listed below.

Registered Office:	80 Fenchurch Street, London, EC3M 4AE
Administration Address:	SS&C House, St Nicholas Lane, Basildon, Essex, SS15 5FS
Share Capital:	Issued £21,500,000 Paid up £21,500,000
Directors:	J Adamson  M Bell  M Craston  A Coates  K McClellan  B Fowler  S Winstanley  J Lowe

All the Directors have various responsibilities within the Aviva Group of which the Manager is a member. No director is engaged in any business activity not connected with the business of the Manager or other Aviva Group companies which is of significance to the business of the Scheme.

The Manager is responsible for managing and administering the Scheme's affairs in compliance with the COLL Sourcebook and the FUND Sourcebook.

Subject to the COLL Sourcebook and the FUND Sourcebook, the Manager has full power to delegate its duties in relation to the Scheme and has delegated certain administrative functions, as explained below.

The Manager's liability to the Trustee as trustee of the Scheme, and the Unitholders, is not affected by the Manager delegating functions to a third party, or by any further sub-delegation.

### **Professional Liability**

The Manager, as the UK AIFM of the Scheme, is responsible for the portfolio management of the Scheme and exercising the risk management function in respect of the Scheme. In addition, the Manager's duties include maintaining the books and records of the Scheme, valuing the Scheme's assets, calculating the net asset value of the Scheme and the net asset value per unit and the general administration of the Scheme, including the distribution of units. As the UK AIFM of the Scheme the Manager is also responsible for ensuring compliance with the UK AIFM Regime in respect of the Scheme. Professional liability risks resulting from those activities which the Manager carries out pursuant to the UK AIFM Regime, are covered by the Manager through 'own funds' (within the meaning of the UK AIFM Regime).

### **Trustee and Depositary**

J.P. Morgan Europe Limited is the Trustee and Depositary of the Scheme.

J.P. Morgan Europe Limited is a private company limited by shares, incorporated in England and Wales on 7 May 1968. The Depositary and Trustee is regulated by the Financial Conduct Authority in the conduct of its regulated activities and is not prohibited from acting as depositary and trustee by the Financial Conduct Authority. The ultimate holding company of the Depositary is JP Morgan Chase & Co, incorporated in Delaware, USA.

Further to the provisions of the Trust Deed and in addition to any duties, powers and responsibilities of the Trustee under the Trust Deed, the UK AIFM has appointed the Trustee to be the trustee and the depositary of the Scheme's assets and the assets of the Scheme have been entrusted to the Trustee for safekeeping under an agreement effective 1st December 2018 between the Manager and the Depositary (as amended, restated, supplemented, varied or novated from time to time) (the "Depositary Agreement").

The Depositary is responsible for the safekeeping of all the Scheme Property of the Scheme and has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the provisions of the COLL Sourcebook relating to the pricing of, and

dealing in, Units and relating to the income of the Sub-funds. The Depositary's functions include carrying out the functions required of a depositary of a UK as specified in the UK AIFM Regime: cash monitoring, and safekeeping of financial instruments and other assets and the oversight functions, in accordance with the UK AIFM Regime.

The registered office of the Depositary is 25 Bank Street, Canary Wharf, London, E14 5JP and its principal place of business is No.1 Chaseside, Bournemouth, BH7 7DA.

The Depositary's principal business activity is acting as corporate trustee including trusteeship of unit trust schemes and depositary of open-ended investment companies.

Subject to the COLL Sourcebook and the FUND Sourcebook, the Depositary has power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its duties as Depositary. This power is subject to the constraints on delegation set out in the UK AIFM Regime to the effect that the Depositary may only delegate its safekeeping function in accordance with certain conditions and the Depositary may not delegate any of its other functions. It has delegated custody services to JP Morgan Chase Bank, N.A. and as such remains liable for the acts of JP Morgan Chase Bank, N.A. in the performance of this service.

The Depositary Agreement states that investments will not be re-used without the prior consent of the Scheme or the Manager.

The Depositary Agreement may be terminated on 180 days' written notice by the Depositary to the Scheme and on 90 day's written notice by the Scheme to the Depositary. The Depositary may not retire voluntarily except upon the appointment of a new Depositary.

The Depositary Agreement provides indemnities to the Depositary in respect of its performance under the Agreement (other than as a result of its fraud, negligence, wilful misconduct).

The Depositary is authorised and dual regulated by the Financial Conduct Authority and Prudential Regulatory Authority.

## **2. Registrar and related administration**

SS&C Financial Services Europe Limited, whose registered office is at SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS, has been appointed to act as Administrator (transfer agent) and Registrar on behalf of the Manager in respect of the Scheme.

The Manager and Aviva Investors UK Funds Limited have entered into an agreement with Aviva Life Services UK Limited to appoint Aviva Life Services UK Limited as supplier of administration services. In turn, Aviva Life Services UK Limited (and other affiliated Aviva companies) has appointed the Administrator to act as administrator and Registrar.

The Administrator:

- (i) provides transfer agency and related unitholder services; and
- (ii) in its capacity as Registrar, maintains the Scheme's Register of Unitholders.

## **Remuneration of Service Providers**

As described further in the section below headed “Charges and Expenses of the Scheme”, the remuneration to which the Manager, the Depositary and the Registrar are entitled is payable out of the Fund Management Fee.

### **Fund Accounting and Pricing Agent**

J.P. Morgan Chase Bank, National Association (London Branch) has been appointed to provide fund accounting services including the calculation of the Net Asset Value of the Scheme and its Sub-funds and the calculation of prices of Units in each Class on behalf of the Manager in respect of the Scheme. It is appointed to act on behalf of the Manager pursuant to a contract entered into by a number of Aviva Investors group companies in respect of fund accounting services for their respective products.

### **Liability for delegates**

The Manager's liability to the Trustee as trustee of the Scheme and the Unitholders is not affected by the Manager delegating functions to a third party, or by any further sub-delegation.

The Trustee's liability in respect of the Scheme or its liability to Unitholders under the UK AIFM Regime is not affected by any delegation except that the Trustee may discharge itself of liability in accordance with the UK AIFM Regime including where the Trustee is required by the law of a non-UK or EEA jurisdiction to hold financial instruments with the delegate in that jurisdiction and there are no local delegates which meet the requirements set out in the UK AIFM Regime.

### **Order Execution**

The Manager is responsible for the investment management of the underlying assets of the Sub-funds within the Scheme and, as such, is subject to the Financial Conduct Authority Handbook that applies to operators of collective investment schemes. These require all managers to meet the requirements relating to best execution when carrying out scheme management activity for its Sub-funds.

In view of this, the Manager is required to treat the Scheme as its client and must act in the best interests of each Sub-fund when executing decisions to deal on behalf of the relevant Sub-fund. The Manager is also required to have an order execution policy in place detailing (i) the systems and controls that have been put in place and (ii) how the Manager will act in line with the best interests of the Scheme and the Sub-funds whilst complying with its obligations to obtain the best possible result, when it directly executes an order, places an order with, or transmits an order to, another entity for execution. Copies of the Manager's order execution policy and of the Investment Manager's order execution policy which the Manager relies on, are available from the Manager on request. If you have any questions regarding the policy please contact the ACD or your professional adviser.

## **Inducements and commissions**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Sub-funds, Investment Manager or Manager (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Manager or Manager will return to each relevant Sub-fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Manager or Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Sub-fund.

## **D. Investment Approach and Restrictions**

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### **Investment Approach and Restrictions**

The investment objective and policy of each Sub-fund is set out in Section 3. Please note that the Aviva PAIF, and therefore the Sub-Funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.

Investment in the Sub-funds will offer investors who are not eligible or able to invest directly into the Aviva PAIF, indirect exposure to the Aviva PAIF. Accordingly prospective investors should review the Prospectus and Key Investor Information Document for the Aviva PAIF as well as this Prospectus and the Key Investor Information Document for the Scheme.

It may not be appropriate for the Sub-funds of the Scheme to be fully invested at all times in the Aviva PAIF but to hold some cash or near cash. The Sub-funds of the Scheme may only hold cash or near cash to maintain sufficient liquidity to enable the Sub-funds to meet their commitments, such as redemptions.

The full investment and borrowing powers of the Scheme are set out in Section 4.

## **E. The Characteristics of Units in the Scheme**

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### **Types of Units**

The nature of the right represented by Units is that of a beneficial interest under a trust. Holders of Units are entitled to participate in the property of the Scheme and the income from that property in proportion to the number of Units held.

Several Classes of Units may be issued in respect of each Sub-fund of the Scheme. Details of Classes currently issued along with the details of subscription, holding criteria and any eligibility criteria in respect of a class of unit and any restrictions on availability are set out in Section 3.

The Trustee may issue fractions of a Unit down to one-thousandth of a Unit. They have proportionate rights. Units have no par value and, within each Class, are entitled to participate equally in the profits arising in respect of, and in the proceeds of the termination of the Scheme. Units do not carry preferential or pre-emptive rights to acquire further Units.

The Trust Deed allows Income Units and Accumulation Units to be issued. Net Income are Units in respect of which income allocated to them is distributed periodically to the relevant Unitholders. Accumulation Units are Units in respect of which income allocated to them is credited periodically to capital.

Either Income Units or Accumulation Units are available within each Class, as set out in Section 3.

### **Income Units**

Holders of Income Units will receive distributions. Each such distribution of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund will be done by reference to the relevant Unitholders' proportionate interests in the Scheme Property of the Sub-fund in question.

Unitholders can choose to have their distribution of income paid direct to their bank or building society current account. Alternatively, Unitholders may choose to have their income distributions automatically reinvested, to purchase further Units of the same Class and Sub-fund at the prevailing Net Asset Value without attracting an Entry Charge. For any regular savings plans invested in Income Units the income distribution is automatically reinvested in Units of the same Class and Sub-fund (without attracting an Entry Charge), unless this supplements a lump sum investment on which income payment has been selected.

In the event that there is a delay or failure by a Unitholder to produce information or documentation to satisfy anti-money laundering due diligence requirements (please see the paragraph headed "Money Laundering" in the "Buying, Selling, Converting, Switching and Exchanging Units" section below), any distribution payments due may not be released by the Manager until the requested information has been provided.

Distributions to holders of Income Units will be made within two months of the end of each Distribution Period on the basis set out in the paragraph headed "Accounting Reference Dates and Distributions" in the "Pricing of Units" section below.

## **Accumulation Units**

Sub-funds may have Accumulation Units (for details of these Sub-funds see Section 3). Holders of Accumulation Units do not receive cash distributions. Instead any income arising in respect of an Accumulation Unit is automatically accumulated and is reflected in the price of each Accumulation Unit. Allocation of income in respect of Accumulation Units will be transferred to the capital property of the Sub-fund within two months of the end of the Distribution Period to which that income relates, but will be reflected in the capital value of Accumulation Units on the first Business Day following the end of that Distribution Period. No Entry Charge is levied on this accumulation.

## **General**

In respect of income arising on both Income Units and Accumulation Units, tax vouchers will be issued and tax accounted for where appropriate.

Further Sub-funds, Classes or types of Unit may be established from time to time by the Manager with the approval of the Financial Conduct Authority, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new Sub-fund, Class or type of Unit, a revised Prospectus will be prepared, setting out the details of each Sub-fund and Class.

## **Rights of Unitholders**

A Unitholder's right in respect of the Scheme as represented by their holding of Units is that of a beneficial interest under a trust. A Unitholder's rights as a unitholder in the Scheme derive from the rights attaching to Units as set out in the Trust Deed.

Unitholders are not liable for the debts of the Scheme.

Unitholders may have rights against the Manager in connection with a holding of Units as provided under this Prospectus and under the COLL Sourcebook.

No Unitholder has any direct contractual claim against any delegate of the Manager or the Trustee or any service providers in respect of the Scheme including the Auditors or legal advisers.

This position is without prejudice to any right a Unitholder may have to bring a claim against an Financial Conduct Authority authorised service provider under the Financial Services and Markets Act 2000 or any cause of action which arises in tort; any right as an "eligible complainant" which may arise in respect of complaints against the Manager or the Trustee in respect of the Financial Ombudsman Service (further details of which are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)); or, should any Financial Conduct Authority authorised service provider including the Manager and the Trustee be in default, any eligibility for compensation under the Financial Services Compensation Scheme (in relation to which information is available at [www.fscs.org.uk](http://www.fscs.org.uk)).

## **Fair treatment of Unitholders**

The Manager shall take all reasonable steps so that it ensures fair treatment of all Unit holders. Any preferential treatment accorded by the Manager to one or more Unitholders should not result in an overall material disadvantage to other Unitholders.

A Unitholder should note that fair treatment does not necessarily equate to equal or identical treatment, and that the terms and conditions of a Unitholder's holding of Units may differ to those of other Unitholders. For example, as explained in the paragraph entitled 'Types of Units', the terms and conditions of the Classes of Unit in issue in respect of the Scheme may vary as to the minimum subscription, minimum holding amount and applicable fees.

The Manager may from time to time enter into side letters or agreements with particular Unitholders which may alter, modify or change the effective terms on which such Units are held by such Unitholders from those terms which are described in this Prospectus, for example in terms of, among other things, the level of fees, redemption notice periods and information rights.

## **Register of Unitholders**

All Units are in registered form. Certificates will not be issued in respect of Units. Unitholders will be able to monitor their holdings by a statement showing transactions in Units and current holdings which will be sent out to all Unitholders, or in the case of joint holdings to the first-named, twice a year by the Registrar. The Register is prima facie evidence of matters properly entered into it.

The Manager is responsible for the Register of Unitholders and has delegated responsibility for its maintenance to SS&C Financial Services Europe Limited (the Administrator and Registrar), as explained at above.

The Register may be inspected at the Registrar's address at SS&C House St Nicholas Lane Basildon Essex SS15 5FS during normal business hours (usually 9 a.m. to 5 p.m. on Monday to Friday) by any Unitholder or any Unitholder's duly authorised agent. If any Unitholder requires evidence of title to Units then upon such proof of identity as it shall reasonably require the Registrar will provide the Unitholder with a copy of the relevant entry in the Register.

Unitholders must notify the Registrar of any change of address. If Unitholders have changed name and wish for the Register to be updated, please contact us to confirm our requirements.

## F. Risk Factors

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The following are important warnings and potential investors should consider the following risk factors before investing in the Scheme. Please note that the Scheme is marketable to all retail investors.

As permitted by the Financial Conduct Authority Handbook, all Unitholders will be registered as “retail investors” for the purposes of the client classification and investor protection rules in Chapter 3 of the Financial Conduct Authority’s Conduct of Business Sourcebook (but for no other purpose). This classification will not affect the day to day interactions between Unitholders who are per se professional clients or eligible counterparties and the Scheme or the Manager.

The risk factors below are split into the risk factors relating to the Scheme and additional risk factors that apply to the Aviva PAIF. **Please note that the Aviva PAIF, and therefore the Sub-funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.**

### 1. General

There are inherent risks in investment markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events and rumours. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may go down as well as up and investors may receive less than the original amount invested.

There is no guarantee that the investment objectives of any Sub-fund of the Scheme will be achieved. **It is important to note that past performance is not a guide to future returns and/or growth. Units should be viewed as a long-term investment.**

Investors will need to decide whether or not an investment vehicle of this nature is appropriate for their requirements.

Inflation can erode the real value of your investments and may occur over the duration of an investment.

### 2. Risk factors for the Scheme

- 2.1 With the exception of cash balances retained for liquidity purposes, the Scheme will be solely invested in Shares of the Aviva PAIF and accordingly where the value of its investment in the Aviva PAIF declines, or is otherwise adversely affected, this will have an adverse effect on the value of the Scheme.
- 2.2 The Scheme invests in the Aviva PAIF, which invests a significant proportion of its assets in physical property that at times may not always be readily saleable. Investors should be aware that during such times that the scheme property of the Aviva PAIF is not readily saleable, the ACD of the Aviva PAIF may defer redemptions or suspend dealing in Shares of the Aviva PAIF, meaning that the Manager will necessarily defer redemptions of Units,

or suspend dealing in Units in the Scheme.

As a result of this, the Scheme may be suitable only for those investors who have capital which may be committed on a long-term basis (see the sections of this Prospectus entitled “Suspension” and “Deferred Redemption”).

- 2.3 Property investment is a specialist sector. You should contact a financial adviser if you have any doubts about the suitability of the Scheme for your needs.
- 2.4 The Scheme will invest solely in the Aviva PAIF. As with any investor in a collective investment, the Scheme will bear, along with the other investors, its portion of the expenses of the Aviva PAIF.
- 2.5 Investors should note that because of the impact of operational cash balances held by the Scheme, there will not be an exact match between the investment return from Units in the Scheme and the investment return of their corresponding shares in the Aviva PAIF.
- 2.6 As the Sub-funds are dual priced, and in order to protect existing investors, the Manager has the discretion to change the basis on which the buying and selling prices are calculated at any time. Changes to the pricing basis are designed to ensure that the prices at which investors enter or withdraw from the Sub-funds reflect the expected underlying costs. Changes in the pricing basis of the Sub-funds will always be made in line with the Aviva PAIF. So, while the Aviva PAIF is experiencing sustained inflows, typically the prices reflect the costs of increasing the size of the Aviva PAIF (offer basis), while during periods of sustained outflows, typically the prices reduce to reflect the underlying costs of selling property in the Aviva PAIF (bid basis). The effect of this means that the price of buying and selling Units in the Sub-funds will vary depending upon the pricing basis in place at the time, and changes to the pricing basis of the Sub-funds from an offer basis to a bid basis, or vice versa, will lead to an increase or decrease in what investors will pay or receive when buying and selling Units in the Sub-funds. The overall impact of these changes should, however, be less for long term investors and may be either positive or negative.
- 2.7 Where applicable, an Entry Charge may be added to the cost of the investment at the outset. Hence investors, having paid an Entry Charge, who redeem their Units in the short term may not (even in the absence of a fall in the value of the relevant investments) realise the original amount invested.
- 2.8 The current tax regime applicable to UK investors in collective investment schemes and the UK schemes themselves, is not guaranteed and may be subject to change. The tax treatment of the Scheme may be affected by the tax profiles of investors and relevant tax treaties in place. Changes in tax legislation could adversely affect the returns to Unitholders. No assurance can be given regarding the actual level of taxation imposed upon the Sub-funds or the Scheme Property.
- 2.9 When cancellation rights are applicable and are exercised, the full amount invested may not be returned if the price falls before we are informed of your intention to cancel.
- 2.10 Adverse changes in market and economic conditions, tax or other laws or regulations or accounting standards may have an adverse effect on the Scheme, its investments in the Aviva PAIF and the value and consequences of holding Units in the Scheme. However, it cannot be predicted whether such changes will occur or to what extent these changes may adversely affect the business of the Scheme or the value of its Units.

2.11 In certain circumstances, Unitholders right to purchase or redeem Units (including a purchase or redemption by way of Switching, Conversion or Exchange) may be suspended. In exceptional circumstances the Manager may, following consultation with the Trustee, suspend the issue, cancellation, sale and redemption of Units in any or all of the Sub-funds or Classes. In particular, if the value of the issue, cancellation, sale or redemption of Shares in the relevant Share Class of the Aviva PAIF should be suspended, then the Manager will suspend the issue, cancellation, sale or redemption of Units to reflect the position in the relevant Share Class of the Aviva PAIF.

## 2.12 Charges to Capital

Where the investment objective of a Sub-fund is to prioritise the generation of income over capital growth, or in circumstances where they have equal priority, all or part of the Fund Management Fee may be charged against capital instead of against income. This will only be done with the approval of the Depositary. It is also possible to charge other costs against capital instead of against income. This may limit capital growth. For further information on this, including confirmation as to which Sub-funds and/or Unit Classes have the Fund Management Fee charged to capital and which Sub-funds and/or Unit Classes have the Fund Management Fee charged to income, please see the section headed “Charges and Expenses of the Scheme” below.

## 3. Risk factors for the Aviva PAIF

With the exception of cash balances retained for liquidity purposes, the Scheme invests solely in the Aviva PAIF and in doing so will assume any specific risks associated with the Aviva PAIF, as detailed below:

### 3.1 Investment in Immovable Property

The Aviva PAIF invests in immovable property.

Property and property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. The performance of the Aviva PAIF would be adversely affected by a downturn in the relevant property market in terms of capital value or a weakening of rental yields. Commercial property values are affected by such factors as the level of interest rates, economic growth, fluctuations in property yields, tenant default, environmental factors and acts of God. Hence, on the realisation of the investment, investors may receive less than the original amount invested. In the event of a default by an occupational tenant, the Aviva PAIF will suffer a rental shortfall and is likely to incur additional cost including legal expenses, in maintaining, insuring, covering empty business rates and re-letting the property.

In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

### **3.2 Illiquidity of Immovable Property Investments**

Investments in immovable property are relatively illiquid and more difficult to realise than equities or bonds. The eventual liquidity of immovable property investments will depend on the success of the realisation strategy proposed for each such investment. Such strategy could be adversely affected by a variety of factors. There is a risk that the Aviva PAIF will be unable to achieve its investment objective by sale or other disposition of immovable property at attractive prices or at the appropriate times or in response to changing market conditions. Losses on unsuccessful immovable property investments may be realised before gains on successful investments are realised. Large amounts of subscriptions or redemptions of Shares during a short period of time may lead to dealings in Shares to be suspended or deferred.

### **3.3 Availability of Immovable Property Investments**

Identifying and structuring immovable property transactions of the types contemplated by the Aviva PAIF is competitive and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions. In addition, the Aviva PAIF may face competition for attractive investments from existing and new investors with similar investment objectives, some of which may have greater financial resources than the Aviva PAIF. Accordingly there can be no assurance that the Aviva PAIF will be able to identify and complete attractive investments in the future or that it will be able to invest fully the amounts subscribed by Shareholders.

### **3.4 Uninsured Losses**

All immovables held by the Aviva PAIF are the subject of an “All Risks” block insurance policy covering the buildings, property owner’s liability and typically three years loss of rent. Where the tenant has the primary responsibility for insuring any of these elements, the block policy provides contingent protection in case of cover differences or the tenant failing to arrange cover.

The Aviva PAIF will attempt to maintain insurance coverage against liability to third parties and immovable property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods, environmental contamination or terrorism, may be unavailable, available in amounts that are less than the full market value or replacement cost of investments or underlying assets, or subject to a large excess. In addition, there can be no assurance that the particular risks which are currently insurable will continue to be insurable on an economically feasible basis. Because the Aviva PAIF is a pooled investment fund, its total assets may be at risk in the event of an uninsured liability to third parties.

### **3.5 Suspension of Dealings**

Because the Aviva PAIF is open-ended, there may be a large amount of subscriptions or redemptions of Shares during a short period of time. Large levels of redemption requests may cause the Aviva PAIF to liquidate its investments over a shorter period than it would otherwise have taken in order to meet such redemption requests. This may affect the Net Asset Value of the scheme property of the Aviva PAIF and consequently the net asset value per Share may fall. In addition, the Aviva PAIF invests a significant proportion of its assets in property which at times may not always be readily saleable. In certain

circumstances the right to purchase, redeem, exchange, switch or convert Shares may be suspended.

**Please note that the Aviva PAIF, and therefore the Sub-funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.**

### 3.6 Tax Considerations

Investment in the Aviva PAIF involves a number of tax considerations. The current tax regime is not guaranteed and may be subject to change. Changes in tax legislation in any of the countries in which the Aviva PAIF invests, or changes in tax treaties negotiated by those countries, could adversely affect the returns to Shareholders. No assurance can be given regarding the actual level of taxation imposed upon the Aviva PAIF.

### 3.7 Investment in Collective Investment Schemes

The Aviva PAIF may invest in other collective investment schemes and in doing so will assume any specific risks associated with investment in that collective investment scheme. In addition there are certain risks of more general application associated with such investments. For example, it is possible that it may be difficult to value an investment in a particular collective investment scheme made on behalf of the Aviva PAIF, where the net asset value thereof is not easily ascertainable due to suspension. Moreover, a particular fund may have liquidity problems and thus the Aviva PAIF may not be able to liquidate its holdings in a particular fund from time to time. The lack of liquidity of such collective investment schemes may also give rise to problems in providing an accurate or up-to-date valuation of the shares in the Aviva PAIF. Furthermore, there may be additional costs to an investor with this strategy arising out of the double charging incurred on the realisation of an investment due to the charges levied by both the Aviva PAIF and the underlying funds in which it invests.

### 3.8 Investment in Unregulated Collective Investment Schemes

The Aviva PAIF may invest in unregulated collective investment schemes which are generally considered to be a higher risk than investment in regulated schemes. An unregulated collective investment scheme is unlikely to be subject to regulations which govern how they are managed. For example, they can utilise higher risk investment techniques, they may borrow to invest, they can suspend calculation of net asset value preventing redemption or otherwise limit redemption, they may not adhere to internationally recognised accounting standards and functions such as pricing and custody may not be subject to any rules.

The Aviva PAIF may also invest in unregulated collective investment schemes which are valued less frequently than the Aviva PAIF. As a result, there is a risk that any market movements will not be reflected in the daily price of the Aviva PAIF and that investors may miss out on unrealised profits from underlying investments. Investors should be aware that market timing is strictly prohibited.

There can be no assurance that the liquidity of the unregulated collective investment schemes will always be sufficient to meet redemption requests as and when made. Any

lack of liquidity of the underlying investments may affect the liquidity of the Shares of the Aviva PAIF and the value of its investments. For these reasons the treatment of redemption requests may be postponed in exceptional circumstances including circumstances in which a lack of liquidity may result in difficulties in determining the Net Asset Value of the Shares of the Aviva PAIF.

### **3.9 Investment in Smaller Companies**

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

### **3.10 Specialist Funds**

Funds investing in specific sectors, such as those investing primarily in a geographic region or specific asset class, such as property, may have more concentrated portfolios and may therefore be more volatile and carry a higher risk to capital than a more diversified portfolio. This is because these funds are more vulnerable to general market sentiment concerning the region or the asset class in which they invest than those which invest across several regions or asset classes.

### **3.11 Changes to the pricing basis**

As the Aviva PAIF is dual priced, and in order to protect existing investors, the Authorised Corporate Director of the Aviva PAIF reserves the right to change the basis on which the buying and selling prices are calculated at any time. Changes to the pricing basis are designed to ensure that the prices at which investors enter or withdraw from the Aviva PAIF reflect the expected underlying costs. So, while the Aviva PAIF is experiencing sustained inflows, typically the prices reflect the costs of increasing the size of the Aviva PAIF (offer basis), while during periods of sustained outflows, typically the prices reduce to reflect the underlying costs of selling property in the Aviva PAIF (bid basis). The effect of this means that the price of buying and selling shares in the Aviva PAIF will vary depending upon the pricing basis in place at the time, and changes to the pricing basis of the Aviva PAIF from an offer basis to a bid basis, or vice versa, will lead to an increase or decrease in what investors will pay or receive when buying and selling Shares in that fund. The overall impact of these changes should, however, be less for long term investors and may either be positive or negative.

### **3.12 Leveraging**

Derivatives may contain a leverage component in the sense that a relatively small initial outlay will give rise to a much larger exposure than would have been achievable in the underlying cash market. Leveraging in this way means that relatively small changes in the value or level of the underlying asset, rate or index will significantly amplify losses or profits for the Aviva PAIF. Losses may be greater than the amount invested in the derivative itself.

The Aviva PAIF may be able to use leverage, including through use of derivative instruments, in accordance with its investment objective and policy and subject to the investment restrictions set out in the fund's prospectus.

Leverage will generally be generated by using derivatives that are inherently leveraged due to the relatively small amount of deposit required to open a position, including among others, forward contracts, futures contracts, options and swaps. A relatively small market movement may therefore have a potentially larger impact on derivatives than on standard bonds or equities, with the result that leveraged derivative positions may increase volatility.

The Aviva PAIF may have higher levels of leverage in atypical or volatile market conditions, for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances, the investment manager or its delegate may increase its use of derivatives in the Aviva PAIF in order to reduce the market risk to which the fund is exposed, this, in turn, would have the effect of increasing its levels of leverage.

Should the securities pledged to brokers to secure a fund's margin accounts decline in value, a fund could be subject to a "margin call", pursuant to which a fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In extreme scenarios, in the event of a sudden drop in the value of a fund's assets, a fund might not be able to liquidate assets quickly enough to pay off its margin debt. Whether any margin deposit will be required for over-the-counter ("OTC") options and other OTC instruments, such as currency forwards, swaps and certain other derivative instruments, will depend on the credit determinations and specific agreements of the parties to the transaction, which are individually negotiated. Low margin deposits are indicative of the fact that any trading in certain derivatives markets is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small adverse price movement in a contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase ten percent of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the value of margin deposit before any deduction for the brokerage commission. Thus, like other leveraged investments, any purchase or sale of a futures contract, forward or other derivatives may result in losses in excess of the margin posted.

Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the net asset value of the units in a fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the net asset value of the units in a fund may decrease more rapidly than would otherwise be the case. Any event which adversely affects the value of an investment made by a fund would be magnified to the extent that fund is leveraged.

### **3.13 Recognition and enforcement of foreign judgments**

Investors in the Aviva PAIF should note that the fund may be adversely affected by the ability to recognise and enforce a foreign judgment in England. There are a number of legal instruments providing for the recognition and enforcement of judgments obtained from certain jurisdictions relating to certain matters in England. Judgments obtained in jurisdictions or relating to matters not covered by such legal instruments may be enforceable in England at common law. Nevertheless, there is uncertainty regarding the ability to enforce foreign judgments in England, which may adversely affect the Aviva PAIF and the value of Shares in that fund.

### **3.14 PAIF status of the Aviva PAIF**

If the Aviva PAIF should breach any of the statutory conditions required for PAIF status, then depending on the nature of the breach and the number of breaches that have occurred, this may result in a corporation tax liability arising or HM Revenue & Customs terminating its PAIF status. Termination of the PAIF status would result in the distributions paid by the Aviva PAIF having a different tax treatment.

### **3.15 Derivatives**

#### **3.15.1 Use of Derivatives and Forward Transactions**

Derivative transactions may be used for the purposes of hedging, meeting the investment objective of the Aviva PAIF, or both. Whilst the ACD of the Aviva PAIF does not currently intend to use derivatives for any purpose other than efficient portfolio management, the Authorised Corporate Director of the Aviva PAIF may wish to use derivatives in pursuit of the fund's investment objective in the future as the market in property derivatives develops. The outcome of the use of derivatives may lead to a higher risk profile of the Aviva PAIF. Although the Authorised Corporate Director does not expect to use derivatives aggressively, if they are used this may lead to a higher volatility in the share price of the fund.

#### **3.15.2 Particular Risk of Exchange Traded Derivative Transactions**

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Aviva PAIF to liquidate positions and, accordingly, may expose the Scheme to losses and delays in its ability to redeem Shares in the Aviva PAIF.

#### **3.15.3 Over-the-Counter Counterparty and Market Risk**

The Aviva PAIF may hold derivatives in OTC markets. The fair value of these derivatives will take into account their tendency to have limited liquidity and possibly higher price volatility. In addition, if the Aviva PAIF holds OTC derivatives, it will be exposed to credit risk on counterparties with whom the transactions are made and will bear the risk of settlement default with those counterparties.

### **3.16 Charges to Capital**

Where a share class of the Aviva PAIF is to prioritise the generation of income over capital growth, or in circumstances where they have equal priority, all or part of the Fund Management Fee may be charged against capital instead of against income. This will only be done with the approval of the Depositary. It is also possible to charge other costs against capital instead of against income. This may limit capital growth. For further information on this, including confirmation as to which share classes of the Aviva PAIF have the Fund Management Fee charged to capital and which have the Fund Management Fee charged to income, please see the prospectus for the Aviva PAIF.

## G. Pricing of Units

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The Manager is responsible for the proper valuation of the assets of the Scheme, the calculation of the Net Asset Value and the publication of the Net Asset Value.

For the purpose of pricing of Units, a Business Day is defined as a day on which the dealing office of the Manager is open for the buying and selling of Units.

The Scheme is dual priced, and will comply with the rules relating to dual priced authorised unit trusts as set out Chapter 6.3 of the COLL Sourcebook, the Trust Deed and with Section 5 of this Prospectus relating to the valuation and pricing of Units in the Scheme.

### 1. Valuation of Property

The Scheme is dual priced (as is the Aviva PAIF), which means that the assets of the Sub-funds are valued using both a creation and cancellation methodology; full details of which are set out in Section 5 below.

Under the dual priced methodology, calculation of the creation and cancellation prices gives the Manager a permitted range of prices within which to set the price at which Units in the Sub-funds can be bought or sold. Whilst operating within this range, the Manager has full discretion to change the price at which Units can be bought or sold at any time, and the pricing basis of the Sub-funds will be made at all times in line with the Aviva PAIF, to reflect the overall cash flow in the Aviva PAIF. Generally, if more money is being invested than withdrawn from the Aviva PAIF over a sustained period, the prices at which Units can be bought and sold in the Sub-funds will typically be based upon the creation price (known as an “offer basis”). Similarly, if more money is being withdrawn than invested in the Aviva PAIF over a sustained period, the prices at which Units can be bought and sold in the Sub-funds will typically be based upon the cancellation price (known as a “bid basis”).

The Manager may change from pricing the Sub-funds on an offer basis to a bid basis, and vice versa, at their discretion at any time, to protect the interests of all investors in the Sub-funds. Please see Paragraph 2.6 of Section F for further details.

Valuations of the Scheme will take place at 12.00 noon on each Business Day for the purpose of determining prices at which Units may be bought or sold.

The property of the Scheme is valued in accordance with the COLL Sourcebook and the provisions of the Trust Deed, and as set out in Section 5 hereto.

**The Scheme operates a 12.00 noon dealing cut-off. Instructions to deal in Units in relation to the Sub-funds which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. All instructions received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.**

**Please note that the Aviva PAIF, and therefore the Sub-funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.**

The price at which Units are purchased may not exceed the creation price plus any Entry Charge applied by the Manager as set out in the section entitled 'Charges and Expenses of the Scheme'. The price at which Units are sold will not be less than the cancellation price less any Exit Charge applied by the Manager as set out in the section entitled 'Charges and Expenses of the Scheme'.

The Manager may at any time during a Business Day carry out an additional valuation of the property of the Scheme if the Manager considers it desirable to do so or if required by the COLL Sourcebook and may use the price obtained at such additional Valuation Point as the price for the day. The Manager will inform the Trustee of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of arrangement, which do not create a Valuation Point for the purposes of dealing. Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

## **2. Practice on Pricing**

The Manager has elected to deal only on the basis of forward pricing for the Scheme. A forward price is the price calculated by reference to the value of the Scheme Property at the next Valuation Point following the Manager's agreement to issue, or, as the case may be, redeem the Units in question. Please refer to Section H below for details of the Manager's requirements for receipt of instructions by investors.

## **3. Publication of Prices**

Information on the prices of Units will be available on the internet at [www.avivainvestors.com](http://www.avivainvestors.com), or by telephoning 0800 051 2003\* between 8:30am and 5:30pm on any Dealing Day. The Manager does not accept responsibility for the accuracy of the prices published in or the non-publication of prices by newspapers or on websites (other than [www.avivainvestors.com](http://www.avivainvestors.com) as above) for reasons beyond the control of the Manager.

The most recent creation and cancellation prices notified to the Trustee are available from the Manager upon request.

\* Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see the paragraph "Telephone Recording" below for further information.

#### 4. Equalisation

When a Unit is issued to an incoming Unitholder, part of the purchase price will reflect the relevant proportion of accrued income. As such, the first allocation of income in respect of a Unit issued during a Distribution Period includes a capital sum by way of income equalisation. Therefore, an allocation of income (whether annual or interim) to be made in respect of each Unit issued by the Scheme or sold by the Manager during the Distribution Period, in respect of which that income allocation is made, shall be of the same amount as the allocation to be made in respect of the other Units in the same Class in issue in respect of the Scheme but shall include a capital sum (income equalisation) representing the Manager's best estimate of the amount of income included in the price of that Unit.

For all Classes the amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the creation price of Units in that Class issued or reissued in a Distribution Period by the number of such Units and applying the resulting average to each of the Units in question.

Due to the complexity of assessing equalisation, the Trust Deed for the Scheme allows all the payments for each allocation period to be grouped together and for the refund to each holder of an equal amount in respect of each of these Units.

#### 5. Accounting Reference Dates and Distributions

The annual accounting period of the Scheme ends each year on 30 September.

There is an interim half-yearly accounting period which ends each year on 31 March.

Distributions of income to the holders of Income Units will be made within two months of the end of each annual and interim Distribution Period. Distributions will therefore be made as follows:

Distribution Period Ends	Income Distribution Paid on or before
30 September	30 November
31 March	31 May

These can be paid by either BACs or such other means of payment as may be permitted by the Manager in each year.

If a distribution remains unclaimed for a period of six years after it has become due it will be forfeited and will revert to the relevant Sub-fund. If the Sub-fund is no longer in existence, the income will revert to the Scheme.

## Allocations of Income

On or before each allocation date, the Manager will calculate the amount available for income allocation for the immediately preceding Distribution Period, will inform the Trustee of that amount and allocate the available income to each of the Classes of Units in issue in respect of each Sub-fund, taking account of the procedure set out below and the proportionate amounts of available income attributable to each Class of Units in a Sub-fund.

At the end of each Distribution Period, the Manager will arrange for the Trustee to transfer the amount of income allocated to Classes of Units that distribute income to the distribution account.

The income available for allocation and distribution in respect of each Class of Unit is calculated by taking the aggregate of the income received or receivable for the account of such Class of Unit in respect of the period, deducting charges and expenses paid or payable by such Class of Unit out of the income in respect of the period, adding the Manager's best estimate of any relief from tax on such charges and expenses, and making other adjustments which the Manager considers appropriate in relation to both income and expenses (including taxation), after consulting the Auditors when required to do so, in relation to:

- (a) taxation;
- (b) potential income which is unlikely to be received until 12 months after the income allocation date;
- (c) income which should not be accounted for on an accrual basis because of lack of information about how it accrues;
- (d) any transfers between the income account and capital account that are required in relation to COLL 6.7.10R (Allocation payments to capital or income);
  - (i) stock dividends;
  - (ii) income equalisation included in income allocations from other collective investment schemes;
  - (iii) the allocation of payments in accordance with COLL 6.7.10R (Allocation of payments to income or capital);
  - (iv) taxation; and
  - (v) the aggregate amount of income property included in units issued and units cancelled during the period;
- (e) making any other adjustments or any reimbursement of set-up costs that the Manager considers appropriate after consulting the Auditors.

An allocation of income (whether annual or interim) to be made in respect of each Unit issued or sold by the Manager during the Distribution Period in respect of which that income allocation is made will be of the same amount as the allocation to be made in respect of the other Units of the same Class in a Sub-fund.

Each allocation of income made at a time when more than one Class is in issue in a Sub-fund shall be done by reference to the relevant unitholders' proportionate interests in the property of that Sub-fund. These will be ascertained by reference to the "**Proportion Account**" for each such Class described in the paragraph entitled "Proportionate entitlements" below.

The Manager will distribute the income allocated to Income Units of each Class in a Sub-fund among their holders in proportion to the numbers of such Units held, or treated as held, by them respectively at the end of the relevant Distribution Period. The Manager will pay the distribution to the holders of Income Units in accordance with the instructions.

The amount of income allocated to the holders of Accumulation Units will become part of the capital property (as defined in the COLL Sourcebook) attributable to Units of that Class and Sub-fund as at the end of that Distribution Period. Where other Classes are in issue in respect of a Sub-fund during that Distribution Period, the interests of the holders of Accumulation Units in the amount of income allocated to a particular Class must be satisfied by an adjustment, as at the end of the period, in the proportion of the value of the Scheme Property to which the price of an Accumulation Unit in the relevant class is related. The adjustment must be such as will ensure that the price per unit of an Accumulation Unit of the relevant class remains unchanged despite the transfer of income to the capital property of that Class and Sub-fund.

#### *Proportionate entitlements*

Where Sub-funds have more than one class of Unit in issue, each Class's share of the assets and income of the relevant Sub-fund (the "proportionate interests") will be determined in accordance with the Trust Deed.

A Proportion Account will be maintained for each Class for the purpose of calculating the proportionate interests of each of the Classes. They do not represent debts from the Scheme to Unitholders or the other way round.

The proportionate interest of each Class is determined on each Business Day on a basis the Manager is satisfied is fair to Unitholders. In order to calculate the proportionate interests of each Class in respect of the assets and income of the relevant Sub-fund, amounts including subscription monies received, redemption proceeds paid out, capital gains, capital losses, income received and receivable, distributions paid and payable to Unitholders, expenses paid and payable, tax liabilities and tax benefits will either be added to or deducted from each Class's Proportion Account as appropriate, on the basis of that Class's proportionate share.

## H. Buying, Selling, Converting, Switching and Exchanging Units

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**Please note that the Sub-funds of the Scheme are in the process of being terminated and are no longer available for new investment.**

The Scheme is dual priced and will comply with the rules of the COLL Sourcebook relating to the dealing of Units in the Scheme and with the provisions set out in this Prospectus

The dealing office of the Manager is open from at least 9.00am until 5.00 pm each Dealing Day. All dealing shall take place in English and all deals in Units are governed by English Law.

**The Sub-funds operate a 12.00 noon dealing cut-off. Instructions to deal in Units which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. All instructions received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.**

In applying for Units, prospective Unitholders agree to subscribe for Units on the basis of, and to be bound by, the terms of the Trust Deed and this Prospectus as applicable in respect of their holding of Units.

### 1. Buying

Applications to purchase Units can be made by telephoning the Manager on 0800 051 2003\* (a registration form will be subsequently sent through to verify personal details) or by sending a completed application form to the Manager at:

Aviva Investors Administration office, PO Box 10410, Chelmsford, Essex, CM99 2AY.

Application forms are available from the Manager by writing to the Administrator, by telephoning the Manager (using the details above), or on the internet at [www.avivainvestors.com](http://www.avivainvestors.com).

Unless the Manager agrees otherwise, it will not accept instructions to purchase Units on the basis of an authority communicated by electronic means. However, the Manager may at its discretion introduce further methods of purchase in the future.

\* Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see the paragraph "Telephone Recording" below for further information.

Applications for Units which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. All applications received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.

Any subscription monies remaining after a whole number of Units has been issued will not be returned to the applicant. Instead, fractions of Units will be issued in such circumstances. The Trustee may issue fractions of a Unit down to one-thousandth of a Unit.

Applications for purchase will not be acknowledged but a contract note, giving details of the Units purchased, will be issued by the end of the Business Day following the relevant Dealing Day, together with, where appropriate, a notice of the applicant's right to cancel. The contract note will give details of the Units purchased and the price used.

An applicant who is a consumer (meaning any natural person acting for purposes outside their trade, business or profession, or as further defined in the FCA Handbook, hereafter a "Consumer") and who has received face to face advice in respect of their investment has the statutory right to cancel their application to buy Units at any time during the 14 days after the date on which they receive a cancellation notice from the Manager. However, the Manager has chosen to extend this statutory cancellation period and instead offers all Consumers the right to cancel their application for a 30 day period from the receipt of the cancellation notice. If a Consumer decides to cancel the contract, and the value of the investment has fallen at the time the Manager receives the completed cancellation notice, the Consumer will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The determination of any shortfall will be based upon the price of the Sub-fund at the next Dealing Day following the Manager's receipt of the completed cancellation notice.

If payment has not already been made, settlement of the full purchase price and any related fees and expenses is due immediately. The Manager, at its discretion, may delay issuing the Units until payment is received. If settlement is not made within a reasonable period, the Manager has the right to cancel any Units issued in respect of the application.

No certificate will be issued in respect of any holding. Ownership of Units will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Units will show the number of Units held by the recipient. Individual statements of a Unitholder's (or in the case of joint holdings, the first named holder's) Units will also be issued on request by the registered holder.

## **2. Large deals (buying)**

In the event of a large deal, the Manager may impose a price which may be more than the published purchase price but will not in any case be higher than the creation price plus any Entry Charge applied by the Manager as set out in the section entitled 'Charges and Expenses of the Scheme'. For these purposes a large deal shall be a deal of not less than £15,000.

## **3. Right to reject applications for Units**

The Manager has a right to reject an application for Units, in whole or in part, on reasonable grounds, including without limitation an application by a Non-Qualified Person (see 6 below) in which event, the Manager will return any money sent, or the balance, for the purchase of Units which are the subject of the application, at the risk of the applicant.

The Manager also has a right to reject an application for the sale or transfer of Units.

#### **4. Disclosures for FATCA or other information sharing agreements**

As part of the process of buying Units, and at various points throughout ownership of Units, investors in the Scheme will be required to provide the Manager (or its delegate) with any information that the Manager considers necessary to enable it to comply with its domestic (and any overseas) obligations, including those obligations relating to FATCA and the CRS. This may be in addition to information required for anti-money laundering purposes.

FATCA aims to prevent US tax evasion by requiring foreign financial institutions (such as the Scheme) to report certain information in relation to any Unitholder who is a Specified US Person to the Internal Revenue Service of the US ("IRS"). As a result of an intergovernmental agreement entered into between the US and UK governments, the Manager may be required to disclose information relating to Unitholders who fall within the definition of Specified US Person (and their investments in the Scheme) to HM Revenue & Customs, who will in turn exchange this information with the IRS.

The Organisation for Economic Co-operation and Development ("OECD") has developed a CRS to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. The CRS requires UK financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which the UK has a tax information sharing agreement.

By signing the application form to subscribe for Units in the Scheme, each Unitholder is agreeing to provide such information upon request from the Manager or its delegate.

Please note that the Manager may treat Unitholders as a Specified US Person where the Administrator is unable to establish that this is not the case.

#### **5. Regular savings plan**

The Manager operates a regular savings plan for Class 1 Unitholders. The minimum subscription for Class 1 Unitholders is £30 per month.

#### **6. Delivery Versus Payment Exemption on purchase of Units**

The Manager makes use of the 'delivery versus payment' (DVP) exemption for Unitholders who consent, as set out in the FCA's Client Asset (CASS) Rules.

The use of the DVP exemption is limited to payments we receive from Unitholders by TT, CHAPS, CREST, Direct Credit or via commercial settlement systems (e.g. EMX or Clearstream) for the purposes of settling a transaction in Units.

The DVP exemption for payments received from Unitholders by TT, CHAPS, CREST and Direct Credit provides a period, during which the monies received will not be treated as "client money" within the meaning of the FCA's Client Asset (CASS) Rules, from the point we receive Unitholders money until the close of the next Business Day.

Payments received from Unitholders via commercial settlement systems will typically not be treated as client money during the same period as that which applies to the other payment methods mentioned above. However for payments received via commercial settlement systems we reserve the right to extend the period during which money is not treated as client money until the close of business three Business Days after the receipt of the Unitholder's money.

Money which is not treated as client money will not be held in a segregated client bank account and will not be protected from the insolvency of the Manager.

Should the Manager still hold Unitholder money after the expiry of the DVP exemption period, it will protect Unitholder money as client money until the transaction has been settled.

If a Unitholder makes a payment to the Manager by cheque, debit card or direct debit the Manager will protect that money at the time of receipt and will not use the DVP exemption.

## **7. Selling**

A Unitholder wishing to sell Units should contact the Manager by telephoning 0800 051 2003\* or in writing by sending clear written instructions to the Manager's administration address at PO Box 10410 Chelmsford CM99 2AY. Instructions to sell are irrevocable. Please note that calls may be recorded for monitoring and training purposes. Unless the Manager agrees otherwise, it will not accept instructions to sell Units on the basis of an authority communicated by electronic means. However, the Manager may, at its discretion, introduce further methods in the future.

\* Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see the paragraph "Telephone Recording" below for further information.

Subject to the paragraphs entitled 'Deferred Redemption' and 'Suspension', every Unitholder is entitled on any Dealing Day to request that the Scheme redeem their Units and the Scheme will be required to redeem them in accordance with the procedures set out below.

If the redemption would leave a residual holding of less than the minimum holding, the Manager has the discretion to require redemption of the entire holding.

Redemption requests which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. Redemption requests received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.

A contract note giving details of the number and price of Units sold will be sent to the selling Unitholder (the first named in the case of joint holders) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Unitholder (and in the case of joint holders, by all the joint holders) no later than the end of the Business Day following the later of the day of the request to redeem Units or the day of the Valuation Point by reference to which the redemption price is determined. The redemption monies will be paid within four Business Days of the later of (a) the receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title, and (b) the Valuation Point at which the redemption request was processed.

However, where money is owed on the earlier purchase of the Units to be redeemed and has not been received and cleared by the time the redemption proceeds would otherwise be payable, then the redemption proceeds for those Units will not be sent until such time as the initial purchase money has been received and cleared.

If following a redemption a holding should fall below the minimum holding for that Class, the Manager has the discretion to effect a redemption of that Unitholder's entire holding in that Class. The Manager may use this discretion at any time. Failure not to do so immediately after such redemption does not remove this right.

## **8. Minimum Redemption**

Part of a Unitholder's holding may be sold but the Manager reserves the right to refuse a redemption request if the value of the Units of any Sub-fund to be redeemed is below the minimum redemption amount for that Sub-fund or Class, and/or if the value to be redeemed would mean that the remaining holding was below the minimum holding amount for that Sub-fund or Class, as detailed in Section 3.

For Class 5: If following a redemption, cancellation, switch, conversion, exchange or transfer, a Unitholder's holding falls below the minimum holding specified in Section 3, the Manager has discretion to convert the Unitholder's entire holding into another Class with a lower minimum holding (if available). The alternative Class is likely to have higher charges than Class 5. The Manager may use this discretion at any time but will give prior notice to the Unitholder. Failure by the Manager to use its discretion immediately after such redemption, cancellation, switch, conversion, exchange or transfer will not constitute a waiver of this right. The value of Units for the purpose of this section is calculated by reference to their prevailing price. The minimum holding requirements will not be treated as being breached if the value of Units held falls below the relevant minimum solely as a result of a fall in the Unit price.

## **9. Large Deals (Selling)**

In the event of a large deal, the Manager may impose a price which may be less than the published selling price but will not in any case be lower than the cancellation price less any Exit Charge applied by the Manager as set out in the section entitled 'Charges and Expenses of the Scheme'. For these purposes a "large deal" shall be a deal of not less than £15,000.

The Manager is under no obligation to account to the Trustee or to Unitholders for any profit it makes on the issue, reissue, or cancellation of Units and will not do so.

## **10. Delivery Versus Payment Exemption on redemption of Units**

The Manager makes use of the 'delivery versus payment' (DVP) exemption for Unitholders who consent, as set out in the FCA's Client Asset (CASS) Rules.

The use of the DVP exemption is limited to payments we make to Unitholders by TT, CHAPS, CREST, Direct Credit and via commercial settlement systems (e.g. EMX or Clearstream) for the purposes of settling a transaction in Units.

All these methods of payment should clear in the Unitholder's account on the payment date. However, should such payments fail to clear on the payment date, the DVP exemption provides a period during which we are not required to treat the payment as

“client money” within the meaning of the FCA’s Client Asset (CASS) Rules. For payments made to Unitholders by TT, CHAPS, CREST and Direct Credit this period begins on the date we are due to pay the proceeds to the Unitholder until the close of the next Business Day.

Payments made to Unitholders via commercial settlement systems will typically not be treated as client money during the same period as that which applies to the other payment methods mentioned above. However for payments made via commercial settlement systems we reserve the right to extend the period during which money is not treated as client money until the close of business three Business Days after the date the money is due and payable to the Unitholder.

Money which is not treated as client money will not be held in a segregated client bank account and will not be protected from the insolvency of the Manager.

Should the Manager still hold the Unitholder money after the expiry of the DVP exemption period, the Manager will protect Unitholder money as client money until payment can be made.

If the Manager pays the proceeds from the sale of a Unitholder’s Units by cheque, the money will be treated as client money and held in a segregated client bank account from the date the Manager issues the cheque so it remains protected until the Unitholder cashes it.

## **11. Conversion, Switching and Exchanging**

Subject to any restrictions on the eligibility of investors for a particular Class or Sub-fund, a Unitholder in the Scheme may:

- (A) Convert all or some of their Units of one Class in a Sub-fund for Units of another Class in the same Sub-fund. Details of this Conversion facility and the restrictions are set out in the section entitled ‘Conversions’ below; or
- (B) Switch all or some of their Units in one Class or Sub-fund in the Scheme for Units in another Class or Sub-fund in the Scheme. Details of this Switching facility and the restrictions are set out in the section entitled ‘Switching’ below; or
- (C) Exchange (subject to certain restrictions) all or some of their Units in a Sub-fund of the Scheme for Shares in the Aviva PAIF. Conversely, Shareholders in the Aviva PAIF are entitled (subject to certain restrictions) to exchange all or some of their Shares in the Aviva PAIF for Units in a Sub-fund of the Scheme. Details of this exchange facility are set out in the section entitled ‘Exchanging’ below.

If following a Conversion, Switch or exchange, a holding should fall below the minimum holding for that Class, the Manager has the discretion to effect a redemption of that Unitholder’s entire holding in that Class or to effect a Conversion, Switch or exchange of that Unitholder’s entire holding in that Class. The Manager may use this discretion at any time. Failure not to do so immediately after such Conversion, Switch, or exchange does not remove this right.

## 11.1 Conversions

Subject to the qualifications below, a Unitholder may at any time convert all or some of their Units of one Class in a Sub-fund (original units) for a number of Units of another Class in the same Sub-fund (new units). Conversions will be effected by the Manager recording the change of Class on the Register of the Scheme.

The number of new units on such a conversion shall be determined in accordance with the following formula:

$$N = \frac{O \times (CP1 \times ER)}{CP2}$$

where:

N is the number of new units;

O is the number of original units to be Converted;

CP1 is the price at which one Unit of the original Class may be redeemed;

ER is 1;

CP2 is the price at which a single Unit of the new Class may be purchased.

The prices referred to in CP1 and CP2 above will typically be the published prices at the applicable Valuation Point for both the original units and new units respectively. The prices applied in CP1 and CP2 will always be calculated on the same basis.

Each number referred to in the definition of N or O shall be expressed to the third decimal place and rounded up thereto in the case of N, so that the integer represents the number of Units and the decimal, when multiplied by 1,000, represents the fraction of a Unit.

If a Unitholder wishes to Convert Units from one Class to another in the same Sub-fund, they should apply to the Manager in the same manner as for section H (6) above 'Selling'.

The Manager intends to facilitate requests to convert Units on the Dealing Day following each accounting period end date, or at other times, subject to prior arrangement with the Manager. For a request to be processed on the Dealing Day following an accounting period end date, the Conversion request will need to be received and accepted by the Manager before 12.00 noon on that Dealing Day. Conversion requests received and accepted after this time will be held over to be processed on the Dealing Day following the next accounting period end date.

A Conversion Fee may be charged on the Conversion. For further details in respect of the level and impact of any such Conversion Fee, please see the section headed "Fees and Expenses" below. The Manager may adjust the number of new units to reflect the imposition of any Conversion Fee together with any other charges or levies in respect of the new units or the original units as may be permitted pursuant to the COLL Sourcebook and the Trust Deed.

If the Conversion would result in the Unitholder holding a number of original units or new units which are less than the required minimum holding for the Class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's original holding of Units to new units or refuse to effect any conversion of the original units. No conversion will be made during any period when the right of Unitholders to require the redemption of their Units is suspended or deferred. The general provisions on procedures relating to redemption will apply equally to a conversion.

**It should be noted that a Conversion of Units of one Class for Units of a different Class in the same Sub-fund is not normally treated as a disposal for UK capital gains tax purposes.**

**Please note that the Manager will process any Unitholder request to change existing Units for Units of another Class in the same Sub-fund in the Scheme as a Class conversion in accordance with the provisions of this section.**

**A Unitholder who Converts between Classes of Unit within the same Sub-fund of the Scheme does not have the right to withdraw from or cancel the transaction.**

For further details on the tax implications of the Conversion, please see the 'General Information' section.

## 11.2 Switches

Subject to the qualifications below a Unitholder may at any time Switch all or some of their Units of one Sub-fund (Original Units) for a number of Units of another Sub-fund (New Units) determined by the following formula:

$$N = \frac{O \times (CP \times ER)}{SP}$$

where:

N is the number of New Units to be issued;

O is the number of Original Units to be Switched;

CP is the price at which a single Original Unit may be redeemed;

ER is 1

SP is the price at which a New Unit can be purchased,

in the case of CP and SP, the prices referred to are the published dealing prices at the applicable Valuation Point, subject to any large deal provisions as outlined in the paragraphs entitled "Large deal (buying)" and "Large deal (selling)" above.

Each number referred to in the definition of N or O shall be expressed to the third decimal place and rounded up thereto in the case of N, so that the integer represents the number of Units and the decimal, when multiplied by 1,000, represents the fraction of a Unit.

If a Unitholder wishes to Switch Units he should apply to the Manager in the same manner as set out in the paragraph entitled 'Buying Units' above.

The Manager may at its discretion impose restrictions as to the Classes for which a Switch may be affected.

If the Switch would result in the Unitholder holding a number of Original Units or New Units which are less than the required minimum holding for the Class concerned, the Manager may, if it thinks fit, Switch the whole of the applicant's original holding of Units to New Units or refuse to effect any Switch of the Original Units. No Switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended or deferred. The general provisions on procedures relating to redemption will apply equally to a Switch. Switching requests received and accepted before 12.00 noon on a Dealing Day will be processed at the Valuation Point on that Dealing Day. Switching requests received and accepted after this time will be held over until the Valuation Point on the next Dealing Day.

A Switching Fee may be charged on the Switching of Units between Sub-funds. For further details in respect of the level and impact of any such Switching Fee, please see the section headed "Fees and Expenses" below. The Manager may adjust the number of New Units to be issued to reflect the imposition of any Switching Fee together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Original Units as may be permitted pursuant to the COLL Sourcebook and the Trust Deed.

A fee may be charged on the switching of Units between Sub-funds, up to the then prevailing Entry Charge relating to the Sub-fund and associated Class into which the Units are being switched. These fees are set out in the section entitled 'Charges and Expenses of the Scheme'. Currently the Manager is not imposing a fee on a Switch between Units in a Sub-fund for Units in any other Sub-fund within the Scheme.

**Please note that the Manager will process any Unitholder request to change existing Units of one Class for Units of another Class in the same Sub-fund of the Scheme as a Class conversion and such a request will be dealt with in accordance with the Conversion process described above.**

**A Switch of Units in one Sub-fund for Units in any other Sub-fund is treated as a realisation and will, for persons subject to United Kingdom taxation, be a disposal for the purposes of capital gains tax or corporation tax.**

**Investors should note that the Switching provisions outlined under this section relate only to the switching of Units between Sub-funds within the Scheme. Additional arrangements exist for the exchange of Units in the Sub-funds of the Scheme for Shares in the Aviva PAIF or alternatively the exchange of Shares in the Aviva PAIF for Units in the Sub-funds of the Scheme (as outlined in the paragraph entitled 'Exchanging between the Aviva PAIF and the Scheme' below).**

**A Unitholder who Switches Units in one Sub-fund for Units in another Sub-fund will not be given the right to withdraw from or cancel the transaction.**

For further details on the tax implications of a Switch, please see the 'General Information' section.

### 11.3 Exchanging between the Aviva PAIF and the Scheme

#### ***Exchanges from the Sub-funds of the Scheme into the Aviva PAIF***

The Manager is aware that certain holders who are eligible to invest in the Aviva PAIF may be unable to do so for administrative reasons and that certain other holders may be prohibited from investing solely in the Aviva PAIF due to the corporate ownership test, that no body corporate is beneficially entitled (directly or indirectly) to 10% or more of the net asset value of the Aviva PAIF ("Corporate Ownership Test").

As such, it is anticipated that all such holders will, therefore, invest through the Sub-funds of the Scheme.

When such holders are in a position to invest directly in the Aviva PAIF, they will be able to exchange their holdings of Units in the Sub-funds for Shares in the Aviva PAIF on the Dealing Day following each accounting period end date, or at other times, subject to prior arrangement with the ACD. For a request to be processed on the Dealing Day following an accounting period end date, the exchange request will need to be received and accepted by the ACD before 12.00 noon on that Dealing Day. Exchange requests which are received and accepted after this time will be held over to be processed on the Dealing Day following the next accounting period end date. The new Shares issued to the investors will therefore have the same acquisition cost and acquisition date for UK tax purposes as their original holding of Units in the Sub-funds where, generally, the exchange has been undertaken for bone fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to tax. For exchanges undertaken by arrangement with the ACD the prices applied for the sale of Units in the relevant Sub-fund and the purchase of Shares in the Aviva PAIF will always be calculated on the same basis.

Such exchanges by arrangement with the ACD may be effected by a request in writing from the Unitholder to the Manager. Unitholders may be required to complete an Exchange form to effect the exchange.

The ACD of the Aviva PAIF may adjust the number of new Shares in the Aviva PAIF to reflect the imposition of any exchange fee together with any other charges or levies in respect of the new Shares as may be permitted pursuant to the COLL Sourcebook and the Instrument of Incorporation of the Aviva PAIF.

#### ***Exchanges from the Aviva PAIF into the Sub-funds of the Scheme***

The Manager is also aware that such holders who are currently eligible to invest in the Aviva PAIF, may in the future be unable to remain fully invested in the Aviva PAIF due to the Corporate Ownership Test.

As such, in order to actively manage their investments in line with the requirements of the Corporate Ownership Test, it is anticipated that such holders may request the exchange of some or all of their holdings of Shares in the Aviva PAIF for Units in the Sub-funds on the

Dealing Day following each accounting period end date, or at other times, subject to prior arrangement with the ACD. For a request to be processed on the Dealing Day following an accounting period end date, the exchange request will need to be received and accepted by the ACD before 12.00 noon on that Dealing Day. Exchange requests which are received and accepted after this time will be held over to be processed on the Dealing Day following the next accounting period end. The new Units issued to the investors will therefore have the same acquisition cost and acquisition date for UK tax purposes as their original holding of Shares in the Aviva PAIF where, generally, the exchange has been undertaken for bone fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to tax. For exchanges undertaken by arrangement with the ACD, the prices applied for the sale of Shares in the Aviva PAIF and the purchase of Units in the relevant Sub-fund will always be calculated on the same basis.

Such exchanges by arrangement with the ACD may be effected by a request in writing from the Shareholder to the ACD of the Aviva PAIF. Shareholders may be required to complete an Exchange form to effect the exchange.

The Manager may adjust the number of new Units in the Sub-funds to reflect the imposition of any exchange fee together with any other charges or levies in respect of the new Units as may be permitted pursuant to the COLL Sourcebook and the Trust Deed.

#### ***Exchanges other than by arrangement with the ACD***

Investors may also continue to switch between the Sub-funds and the Aviva PAIF, and vice versa, at any time. However, investors should note that such switches may constitute a disposal of Shares in the Aviva PAIF for UK tax purposes where the acquisition of Units in the Sub-funds is not made with the agreement of the ACD and would be processed in accordance with the prices and methodology outlined in the section entitled 'Switches' above.

## **12. Body Corporate Investors**

The Aviva PAIF in which this Scheme invests has specific eligibility criteria in order to ensure that it meets the conditions which it must satisfy in order to maintain its PAIF tax status. Consequently, as explained in the Aviva PAIF's Prospectus, there are procedures in place designed to ensure that, if a Body Corporate shareholder in the Aviva PAIF ceases to be eligible to acquire or hold shares then that shareholding, or the excessive portion of such shareholding (as determined by the ACD of the Aviva PAIF) will be compulsory redeemed or cancelled. It is intended that Body Corporate shareholders will complete subscription documentation, or in respect of existing shareholders, new mandate terms which will provide, if and when they breach the eligibility conditions, for redemption or cancellation of Aviva PAIF shares and an automatic exchange into Units of a Sub-fund of the equivalent type.

Under the AIF Tax Regulations, the Aviva PAIF in which the Scheme invests must take reasonable steps to prevent a Body Corporate from being beneficially entitled (either directly or indirectly) to 10% or more of the net asset value of the Aviva PAIF. Arrangements are in place, as explained in the Prospectus for the Aviva PAIF, whereby a Body Corporate will be required to give certain undertakings as part of its subscription terms to meet HMRC's requirements. Subscription terms will also include an automatic exchange mandate given so as to ensure that this corporate investor condition for the Aviva PAIF is satisfied.

Such mandate will include exchanges once a certain threshold is reached from Shares in the Aviva PAIF to Units in a Sub-fund of the Scheme.

If and when the ACD of the Aviva PAIF observes that any Body Corporate should be or becomes beneficially entitled directly or indirectly to 9.5% or more of the NAV of the Aviva PAIF, or the ACD of the Aviva PAIF reasonably believes this to be the case, then the ACD of the Aviva PAIF may, at its discretion, implement exchange instructions so that all or part of such Body Corporate's shareholding is exchanged from the Aviva PAIF for Units in the relevant Sub-fund and Class of this Scheme.

When such holders are in a position to invest directly in the Aviva PAIF, they will be able to exchange their holdings of Units in a Sub-fund for Shares in the Aviva PAIF as described in the section entitled 'Exchanging between the Aviva PAIF and the Scheme' above.

### 13. **Non-Qualified Persons**

If it comes to the notice of the Manager that any Units are or may be owned or held legally or beneficially by a Non-Qualified Person as defined below ("Affected Units") the Manager may give notice to the registered holder of the Affected Units requiring the transfer of such Affected Units to a person who is not a Non-Qualified Person or give a request in writing for the redemption or cancellation of such Affected Units in accordance with the COLL Rules and this Prospectus. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer the Affected Units to a person who is not a Non-Qualified Person, or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he and any person on whose behalf he holds the Affected Units are not Non-Qualified Persons, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of the Affected Units pursuant to the COLL Rules and this Prospectus.

A person who becomes aware that he has acquired or holds Affected Units shall forthwith, unless he has already received a notice referred to above either transfer or procure the transfer of all the Affected Units to a person who is not a Non-Qualified Person or give a request in writing or procure that a request is so given for the redemption or cancellation of all the Affected Units pursuant to the COLL Rules or this Prospectus.

A Non-Qualified Person means any person to whom a transfer of Units (legally or beneficially) or by whom a holding of Units (legally or beneficially) would or, in the opinion of the Manager, might:

- (A) **be an infringement of any law, governmental regulation or rule (or any interpretation of a law, governmental regulation or rule by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Units; or**
- (B) **require the Scheme to be registered under any law or regulation whether as an investment fund or otherwise or cause the Scheme to be required to apply for registration or comply with any registration requirements in respect of any**

of its Units in any jurisdiction; or

- (C) **cause the Scheme or its Unitholders some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Scheme or its Unitholders might not otherwise have incurred or suffered.**

The Manager is also able to effect a compulsory conversion of Class 5 Units to another Class where a Unitholding falls below the specified minimum holding (as set out in the section entitled 'Minimum Redemption' above).

#### 14. **Redemptions in kind (In specie redemptions)**

The Manager does not generally intend to permit in specie redemptions of Units. The Manager may, however, provided the Trustee considers that the transfer of property would not be likely to result in any material prejudice to the interests of Unitholders, but otherwise at its exclusive discretion where it considers the redemption to be substantial in relation to the total size of the Scheme or in some way detrimental to the Aviva PAIF, a Class or otherwise at its discretion, arrange that in place of payment of the price of the Units in cash, the Trustee cancels the Units and transfers Scheme Property or arranges for the transfer of scheme property of the Aviva PAIF or, alternatively, if required by the Unitholder, its net proceeds of sale, to the Unitholder.

Before the redemption proceeds of the Units become payable (unless the in specie redemption was at the request of the Unitholder), the Manager must give written notice to the Unitholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Unitholder so that the Unitholder can require the net proceeds of sale rather than the relevant property if he so desires.

In specie redemptions are chargeable to SDRT if the Unitholder does not receive the part of the Scheme Property as is proportionate to the Unitholder's share.

#### 15. **Deferred Redemption**

In times of high redemption, to protect the interests of continuing Unitholders, the Manager may defer all redemptions at any Valuation Point to the next Valuation Point where requested redemptions exceed 10% of the Scheme's value. This will allow the Manager to agree the sale of the Scheme Property with the ACD of the Aviva PAIF, thereby reducing the impact of dilution on the Scheme. At the next such Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to a later Valuation Point are considered.

#### 16. **Liquidity Risk Management**

The Manager maintains a liquidity management policy to monitor the liquidity risk of the Sub-funds. The liquidity management systems and procedures employed by the Manager are designed with a view to ensuring that the Sub-funds may respond appropriately to redemption requests in accordance with the COLL Sourcebook. The Manager conducts periodic stress tests under both normal and exceptional liquidity conditions in order to assess the liquidity risk for the Sub-funds.

The sub-fund's net redemptions are to be compared with a minimum liquidity threshold for redemptions. Such a threshold will take into consideration the following:

- The risk tolerance profile and liquidity needs of the investors in a Sub-fund.
- The typical pattern of Unitholder activity: fairly stable net in- and outflows or a highly volatile pattern with occasionally very large net redemptions.
- Concentration of ownership of a Sub-fund among its Unitholders.

The Manager currently has multiple options available to choose from when addressing liquidity concerns within its scope of daily operations, including the following which are listed in order of least disruption to the Unitholders:

- The Manager manages each Sub-fund taking the redemption and subscription risks into consideration on a daily basis.
- Each Sub-fund may have cash to meet normal redemptions.
- Each Sub-fund has lines of credit available; these can temporarily be utilised to meet unexpected unit holder redemptions.
- The Manager could consider the fair application of a price adjustment according to the provisions of the pricing policy to protect the interests of all investors from transaction and dealing costs incurred within a Sub-fund as a result of large flows, providing any such price adjustment is made in line with the Aviva PAIF to reflect the overall dealing flows in the Aviva PAIF.
- Pre-agreed Exit Charges may deter investors from divesting.
- In-specie redemption: the Sub-funds may distribute underlying investments, equivalent to the value of the Unitholder's Units in the relevant Sub-fund, rather than cash, in satisfaction of the redemption.
- Deferred redemption: the Sub-funds may defer redemption requests to the next Valuation Point.

## 17. **Suspension**

The Manager may, with the prior agreement of the Trustee and, will if the Trustee so requires, at any time suspend the issue, cancellation, sale, redemption and exchange of any Class of Units in any of the Sub-funds, if the Manager, or the Trustee, is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interest of Unitholders or potential Unitholders. Such a suspension will continue for as long as it is justified having regard to the interests of Unitholders or potential Unitholders and must cease as soon as practicable after the exceptional circumstances referred to above have ceased. The Manager and Trustee must, at least every 28 days, formally review the suspension.

On suspension the Manager will immediately inform the Financial Conduct Authority. Additionally, the Manager will ensure that notification of suspension is made to all Unitholders as soon as practicable after suspension commences, which will draw the Unitholders' particular attention to the exceptional circumstance which resulted in the suspension and is clear, fair and not misleading. Throughout the duration of the suspension

the Manager must ensure it publishes sufficient details to keep Unitholders appropriately informed. Throughout the duration of the suspension the Manager must ensure it publishes sufficient details to keep Unitholders appropriately informed.

During the period of suspension the Manager may agree to issue, redeem or exchange Units at prices calculated by reference to the first relevant Valuation Point after resumption of dealing. Re-calculation of the Unit price for the purposes of purchases and redemptions will commence on the next Valuation Point following the end of the suspension.

On a suspension of the issue, cancellation, sale, redemption, exchange, switch and conversion of shares in the Aviva PAIF, there will also be a suspension in the Sub-funds of this Scheme. The notifications and requirements set out here shall apply equally to the Aviva PAIF. A suspension of the Sub-funds will continue for as long as there is a suspension on the Aviva PAIF.

**Please note that the Aviva PAIF, and therefore the Sub-funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.**

## 18. Money Laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, the Manager is responsible for compliance with applicable anti-money laundering regulations. In order to comply with those regulations and protect Unitholders from fraud, the Manager is required to carry out due diligence checks on all Unitholders or potential Unitholders and any party giving instructions for a Unitholder or their estate, at the start of the investment and on an on-going basis.

The Manager may use an external agency to verify the identity of Unitholders, potential Unitholders or any party giving instructions for a Unitholder, to comply with the UK anti-money laundering requirements.

The Manager is also required to ensure that any existing Unitholder data and due diligence records are kept up to date during the time of the investment including on the sale, purchase or transfer of Units or distribution of income. Unitholders may therefore be contacted by the Manager from time to time to check that the information held is still valid or to request updates of the documentation or information held by the Manager.

In the event of a delay or failure to produce any information or documentation required to satisfy the Manager's due diligence requirements, the Manager reserves the right to refuse to carry out the transaction requested, including accepting additional subscriptions or releasing the investment (including any distribution payments due to the Unitholders), until the requested information has been provided.

Unitholders will be advised as to the information required in advance of any restrictions placed on their account.

## 19. Market Timing

The Sub-funds are intended to be a medium to long-term investment vehicle and are not designed to be used by investors for speculating on short-term market or currency movements. Information on the typical investor profile and target market for each Sub-fund is set out below. The Manager may refuse to accept a subscription, redemption or a Switch

from another Sub-fund if it has reasonable grounds, relating to the circumstances of the Unitholder concerned, for refusing to accept a subscription, redemption or a Switch from the Unitholder. In particular, the Manager may exercise this discretion if it believes the Unitholder has been or intends to engage in market timing activities.

## 20. **Compulsory Conversion**

In circumstances where the Manager has determined that a Class of a Sub-fund is to be closed, the Manager is able to effect the compulsory conversion of Units from the closing Class to another Class of the Sub-fund. Such compulsory conversion will only be effected where the rights attaching to the new Class are the same, or more favourable than the Class that is to be closed and where the Manager has satisfied itself that the conversion will not result in prejudice to investors in the Sub-fund. The Manager will give prior notice to the Unitholders in the Sub-fund prior to such a compulsory conversion being effected.

## I. Charges and Expenses of the Scheme

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### 1. Fund Management Fee

Each Sub-fund will be charged a single fixed rate charge, referred to as the Fund Management Fee, to cover the following underlying fees and expenses in relation to the operation and administration of the Scheme and/or that Sub-fund:

- (a) the fees and expenses payable to the Manager in payment for carrying out its duties and responsibilities. These duties and responsibilities, in summary, involve it running the day-to-day operations of the Scheme, marketing and distributing the Scheme and otherwise providing or procuring the provision of such administrative, accounting, consultancy, advisory, secretarial and general management services as are necessary to manage the Sub-funds in accordance with the Trust Deed, this Prospectus and the Regulations (including monitoring the investment strategy, monitoring the valuation of the Sub-funds' assets and maintaining the necessary records);
- (b) a fee for providing registration services;
- (c) the fees payable to the Trustee in payment for carrying out its depositary services, which in summary involve it acting solely in the interests of Unitholders of the Sub-funds, taking steps to ensure that the Manager is investing and valuing the assets of the Sub-funds in accordance with the FCA Handbook and remuneration for performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed, the COLL Sourcebook and the FUND Sourcebook. In addition to these fees and remuneration, the Trustee will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or in exercising any of the powers conferred upon it in relation to the Scheme and each Sub-fund, subject to approval by the Manager. This includes, without limitation, all charges and expenses of any agents appointed by the Depositary in the discharge of its duties. The following further expenses may also be paid in respect of the below duties of the Trustee:
  - delivery and receipt of assets out of or into the Sub-fund;
  - custody of assets;
  - maintenance of the Register;
  - collection of income;
  - submission of tax returns;
  - handling tax claims;
  - preparation of the Trustee's annual report; and
  - such other duties as the Trustee is required by law to perform which in relation to the Scheme including (but not limited to) costs incurred in setting up and

maintaining the relevant bank accounts of the Sub-funds and arranging for the receipt of money into and payment of money out of such accounts.

Legal expenses pre-agreed by the Manager and incurred by the Trustee or its delegates in the facilitation of transactions or agreements for the benefit of a Sub-fund or the Manager will be passed on and charged at cost. The Trustee reserves the right to charge an agreed upon liquidation and/or restructuring fee in the event of any such event occurring in relation to the Manager and/or the Sub-fund.

- (d) the fees and expenses payable to the Custodian in payment for carrying out its duties and responsibilities. The Trustee is also entitled to receive remuneration charged by the Custodian for such services as the Manager, Trustee and the Custodian may from time to time agree, being services delegated to the Custodian by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed, the Depositary Agreement, the COLL Sourcebook or the FUND Sourcebook;
- (e) the fees, expenses and disbursements of the Auditors (amongst other things, in respect of auditing the annual financial statements of the Scheme in accordance with applicable law and accounting standards), which are payable in respect of each Sub-fund in an amount calculated in accordance with the rate card agreed with the Auditors;
- (f) any costs incurred as a result of preparing, printing and distributing reports (including periodic statements) and accounts;
- (g) fees of the Financial Conduct Authority in accordance with the Financial Conduct Authority's Fee Manual which are required to be paid by all regulated firms in order to contribute to the running costs of the Financial Conduct Authority, and the corresponding periodic fees of any regulatory authority in the country or territory outside the United Kingdom in which Units are or may lawfully be marketed;
- (h) royalty fees incurred for the use of stock exchange index names;
- (i) the fees and expenses incurred in establishing any new Class and/or Sub-fund, any offer of Units (including the preparation and publishing of Prospectus) and the creation, conversion and cancellation of Units;
- (j) the fees and expenses connected with the listing of Units on any stock exchange (although it is not currently proposed to seek a listing for the Units on any stock exchange);
- (k) the fees, expenses and disbursements of the tax, legal and other professional advisers of the Scheme (excluding the fees, expenses and disbursements of the tax, legal and other professional advisers in relation to litigation pursued for, or on behalf of, the Scheme or Sub-fund(s));
- (l) any liabilities on amalgamation or reconstruction of the Scheme or any Sub-fund or which arise after transfer of property to the Scheme in consideration for the issue of Units if the Manager is of the opinion that proper provision was made for meeting

such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

- (m) expenses incurred in distributing and dispatching income and other payments to Unitholders;
- (n) fees and expenses in respect of the publication and circulation of details of Unit prices;
- (o) the costs of convening and holding Unitholder meetings (including meetings of Unitholders in any particular Sub-fund, or any particular Class within a Sub-fund and meetings convened at the requisition of Unitholders and for whatever purpose) and of producing associated documentation;
- (p) safe custody charges (save to the extent that they relate to matters which are covered by the fees paid to the Depositary and/or the Custodian);
- (q) costs incurred in taking out and maintaining any insurance policy in relation to the Scheme;
- (r) any payments otherwise due by virtue of the COLL Sourcebook;
- (s) the fees and expenses of any entities which are required to be appointed by the Manager to carry out certain functions by any regulatory authority;
- (t) any costs incurred as a result of preparing, printing and distributing prospectuses in respect of the Scheme, publishing prices, periodic updates of any prospectus; preparing or printing (but not distributing) any key investor information document, amending the Trust Deed and any other such administrative expenses or costs of preparing any reports or statements in relation to the Scheme Property;
- (u) any costs, fees or expenses incurred in terminating the Sub-funds or winding up the Scheme;
- (v) any costs incurred which are associated with the assessment of risk and monitoring of and compliance with the risk management process; and
- (w) subject to current HM Revenue & Customs regulations, any Value Added Tax (or similar tax) payable in respect of any fees or expenses referred to in this section may be paid out of the Scheme Property of each Sub-fund. Where appropriate, such tax is charged at the prevailing rate imposed by HMRC (or other relevant tax authority) on the relevant expense and accrued and paid at the time of the expense.

Although permitted to be covered by the Fund Management Fee, currently the payments listed above are borne by the Manager with the exception of those set out in paragraphs (a) and (b) above. If the Manager decides to cease bearing these fees and expenses Unitholders will be given 60 days' advance notice before such fees and expenses are covered by the Fund Management Fee.

The Fund Management Fee accrues daily at the rate for each Class and Sub-fund set out in Section 3 below, as adjusted for any applicable scale discount as noted below, and is calculated as a percentage of the Net Asset Value of that Sub-fund on the previous Business Day, calculated on a mid-market basis, and adjusted for any Shares issued or

cancelled between the Valuation Point on the day that the fee accrues and the Valuation Point on the previous Dealing Day. The Fund Management Fee is payable on the basis set out below:

- (a) the Scheme may pay any of the underlying fees, expenses and charges referred to above directly to the relevant recipient of the same as and when they are due. Such underlying fees, expenses and charges that are specific to a Class or Sub-fund will be paid out of the Scheme Property of, and be paid against the Fund Management Fee accrued to, that Class or Sub-fund or, where they are not considered to be attributable to any one Class or Sub-fund, otherwise in a manner which is fair to Unitholders generally. This will normally be a payment against the Fund Management Fee accrued to all Classes and Sub-funds pro rata to the value of the net assets of the relevant Classes and Sub-funds; and
- (b) the balance of the accrued Fund Management Fee that remains after any payments against the same pursuant to paragraph (a) above have been made will be paid to the Manager monthly in arrears, from which the Manager will pay any of the remaining underlying fees, expenses and charges referred to at above which are due and payable. This balancing amount of the Fund Management Fee will be paid out of the Scheme Property of the relevant Sub-fund, and attributed to the Class of Units, in respect of which it is imposed.

For the Aviva Investors UK Property Feeder Acc Fund and all Classes other than Class 7 of the Aviva Investors UK Property Feeder Inc Fund (please note that these Sub-Funds of the Scheme are in the process of being terminated and are no longer available for new investment), the Fund Management Fee will be charged against income. Where the charge would normally be made to income, but a Class's expenses in any period exceed the income attributable to it, the Manager may take that excess from the capital property attributable to that Class.

For Class 7 of the Aviva Investors UK Property Feeder Inc Fund, the Fund Management Fee will be charged against capital. Charging the Fund Management Fee against capital will increase the amount of income available for distribution to Unitholders, but may constrain capital growth.

The underlying fees, expenses and charges covered by the Fund Management Fee may fluctuate, notwithstanding that the Fund Management Fee is being taken at a fixed rate. In fixing the Fund Management Fee in this way, the Manager bears the risk that the balance of the Fund Management Fee payable to it will not fully remunerate it when compared to the amount that it would otherwise have been permitted to charge under a more traditional charging method. This is due to the fact that the amount of the underlying fees, expenses and charges referred to above that are actually incurred in any given period may exceed the Fund Management Fee taken for that period and in those circumstances the resulting excess would be covered by the Manager. Conversely, however, where those fees, expenses and charges in any given period are less than the level of the Fund Management Fee for that period, then in these circumstances, the Manager is permitted to retain the resulting surplus and is not accountable to Unitholders for this.

The Manager reserves the right to increase or decrease the Fund Management Fee. Any increase in the Fund Management Fee will be deemed to be a significant change and may

be made after giving at least 60 days written notice to Unitholders and revising the Prospectus to reflect the proposed increase in accordance with the COLL Sourcebook, provided this is to cover underlying fees, expenses and charges which this Prospectus already contemplates as being paid from the Fund Management Fee. However, if a new category of fee, expense or charge is being introduced which this Prospectus does not contemplate as being paid against or from the Fund Management Fee, as applicable, whether or not this is resulting in an increase in the Fund Management Fee, then this will be deemed to be a fundamental change and the approval of Unitholders will be required in accordance with the COLL Sourcebook. Any decrease in the Fund Management Fee will be deemed to be a notifiable change and may be made in accordance with the requirements set out in the section headed “Changes to the Scheme” below.

## Discounts to the Fund Management Fee

The Manager passes on some of the benefits of potential savings generated by significant growth in assets under management by discounting the Fund Management Fee payable in respect of retail Classes of Units in the Sub-funds. The size of the discount to the usual Fund Management Fee is determined by the size of the relevant Sub-fund and the type of fund (as set out below) and is capped at 0.05%.

*For equity and fixed income funds (“simple” funds):*

- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £500,000 up to £1 billion of assets under management is discounted by 0.01%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £1 billion up to £1.5 billion of assets under management is discounted by 0.02%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £1.5 billion up to £2 billion of assets under management is discounted by 0.03%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £2 billion up to £2.5 billion of assets under management is discounted by 0.04%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £2.5 billion plus of assets under management is discounted by 0.05%.

A numerical example for equity and fixed income funds is set out below.

Assets under management	Discounted Fund Management Fee for a retail Class of Units (for example a Class 1 Units) <i>Example Fund Management Fee: 1.00%</i> (please see below for the exact Fund Management Fee charged by each Class of Units in each Sub-fund)
£500,000 - £1 billion	0.99%
£1 billion – £1.5 billion	0.98%
£1.5 billion - £2 billion	0.97%
£2 billion - £2.5 billion	0.96%
£2.5 billion and above	0.95%

*For multi-asset funds (“standard” funds):*

- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £1 billion up to £2 billion of assets under management is discounted by 0.01%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £2 billion up to £3 billion of assets under management is discounted by 0.02%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £3 billion up to £4 billion of assets under management is discounted by 0.03%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £4 billion up to £5 billion of assets under management is discounted by 0.04%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £5 billion plus of assets under management is discounted by 0.05%.

A numerical example for multi-asset funds is set out below.

<b>Assets under management</b>	<b>Discounted Fund Management Fee for a retail Class of Units (for example a Class 1 Units)</b> <i>Example Fund Management Fee: 1.00%</i> (please see below for the exact Fund Management Fee charged by each Class of Units in each Sub-fund)
£1 billion - £2 billion	0.99%
£2 billion - £3 billion	0.98%
£3 billion - £4 billion	0.97%
£4 billion - £5 billion	0.96%
£5 billion and above	0.95%

*For multi-strategy and property funds (“complex” funds):*

- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £2.5 billion up to £5 billion of assets under management is discounted by 0.01%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £5 billion up to £7.5 billion of assets under management is discounted by 0.02%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £7.5 billion up to £10 billion of assets under management is discounted by 0.03%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £10 billion up to £12.5 billion of assets under management is discounted by 0.04%.
- the Fund Management Fee payable in respect of retail Classes in Sub-funds with £12.5 billion plus of assets under management is discounted by 0.05%.

A numerical example for multi-strategy and property funds is set out below.

<b>Assets under management</b>	<b>Discounted Fund Management Fee for a retail Class of Units (for example a Class 1 Units)</b> <i>Example Fund Management Fee: 1.00%</i> (please see below for the exact Fund Management Fee charged by each Class of Units in each Sub-fund)
£2.5 billion - £5 billion	0.99%
£5 billion - £7.5 billion	0.98%
£7.5 billion - £10 billion	0.97%
£10 billion - £12.5 billion	0.96%
£12.5billion and above	0.95%

This discount will apply once any other discount to the Fund Management Fee noted in Section 3 below for a particular Sub-fund has been applied. For the avoidance of doubt, in the event that on any given day the assets under management of a Sub-fund are less than the base amount at which the discount starts to apply in accordance with the classification of that Sub-fund then no discount shall apply under this paragraph and the amount accrued in respect of the Fund Management Fee shall be calculated by reference to the full value of the Fund Management Fee referred to in Section 3 below (as this may be adjusted by any discount which is applied to the Fund Management Fee other than pursuant to this paragraph). The Manager reserves the right to change the ranges at which discounts apply or the discount applied for any given range. In the event of any such change, the Manager will notify Unitholders in writing. The classification (“simple”, “standard” or “complex”) of each Sub-fund is set out in section 3 below. The latest size of each Fund can be found on our website at [www.avivainvestors.com/en-gb/capabilities/fund-centre/](http://www.avivainvestors.com/en-gb/capabilities/fund-centre/).

## 2. Ongoing Charge

The Ongoing Charge represents the ongoing costs of managing each Sub-fund. This is the figure which, in accordance with current Applicable Law, is disclosed to investors in the Key Investor Information Document of each Sub-fund. The Ongoing Charge is made up of:

- a) the Fund Management Fee;
- b) any fees, expenses and disbursements of the tax, legal and other professional advisers in relation to litigation pursued for, or on behalf of, the Scheme or Sub-fund(s); and
- c) where a Sub-fund invests a substantial portion of its assets in other funds, the pro-rated charges of those other funds. These pro-rated charges are commonly referred to as “synthetic charges” or the “synthetic” part of the Ongoing Charge. This ensures that the publicised Ongoing Charge of a Sub-fund takes account of the ongoing charges incurred by those other funds, even though they are not a direct cost, and so are not actually paid out of the Scheme Property, of that Sub-fund.

It is important to note that the Ongoing Charge does not reflect the total costs of investing in the Sub-funds, for example, it does not include performance fees (to the extent that these are charged) or certain other payments permitted to be made out of the Scheme Property of the Fund (as referred to in more detail in the section headed “Other Payments out of

Scheme Property” below), such as the costs of acquiring and disposing of certain investments. Furthermore, other one-off charges may be applicable which are applied directly to an investor’s investment, rather than being taken from the Scheme Property of the Sub-fund, namely any Entry Charge, Exit Charge, Switching Fee, Conversion Fee or exchange fee (which are referred to in more detail in the section headed “One-Off Charges” below).

The Ongoing Charges figure is stated as a percentage of the average Net Asset Value of that Sub-fund. It is based on previous costs incurred and will be calculated (i) at the end of each annual accounting period, by reference to the actual costs incurred in the previous 12 month period and (ii) at the end of each interim half-yearly accounting period, by reference to the annualised costs for the previous 6 month period (that is, the costs incurred in that 6 month period, adjusted so as to reflect what these costs would amount to over a 12 month period). It may also be based on an estimate of upcoming costs where this provides a better indication of the expected costs in the relevant Sub-fund, in which case it will be calculated as required.

The Ongoing Charges figure is set out in Section 3 below, together with details of the date at which it is specified and the basis on which it is calculated.

### **3. One-Off Charges**

#### **Entry Charge**

The Manager is permitted by the FCA Handbook to charge an Entry Charge on the purchase of Units by an investor which is calculated as a percentage of the total amount tendered for investment. The Entry Charge is deducted from the total amount tendered for investment with the remaining balance invested in the investor’s chosen Sub-fund(s). The details of the Entry Charge in respect of each Class are set out in Section 3.

#### **Switching Fee**

If a Unitholder switches Units in one Sub-fund for Units in another Sub-fund the Manager, is entitled to charge a Switching Fee. The Switching Fee which is payable to the Manager will not exceed an amount equal to the prevailing Entry Charge for the relevant Class in the Sub-fund into which the Units are being Switched.

Where a Switching Fee is charged by the Manager, the Manager may adjust the number of new Units to be issued in connection with the Switch to reflect the imposition of any such Switching Fee together with any other charges or levies in respect of the issue of the new Units or the cancellation of the original Units as may be permitted pursuant to the COLL Sourcebook and the Trust Deed.

The Manager does not currently impose a Switching Fee.

#### **Conversion Fee**

If a Unitholder Converts Units of one Class for Units of another Class within the same Sub-fund, the Manager is entitled to charge a Conversion Fee. The Conversion Fee which is

payable to the Manager will not exceed an amount equal to the prevailing Entry Charge for the Class into which the Units are being Converted.

Where a Conversion Fee is charged by the Manager, the Manager may adjust the number of new Units to be issued in connection with the Conversion to reflect the imposition of any Conversion Fee together with any other charges or levies in respect of the issue of the new Units or the cancellation of the Original Units as may be permitted pursuant to the COLL Sourcebook and the Trust Deed.

The Manager does not currently impose a Conversion Fee.

### **Exchange fee**

On the exchange of holdings of shares in the Aviva PAIF for Units in the Sub-funds the Manager may at its discretion impose an Exchange fee which will not exceed an amount equal to the then prevailing Entry Charge for the relevant Class in the Sub-fund in which the new Units are issued.

However, currently no such exchange fee is charged.

### **Exit Charge**

The Manager is entitled to make a charge, referred to as an Exit Charge, on the value of the Units redeemed by an investor. The current Exit Charge for each Class and Sub-fund is set out in Section 3 below.

### **Increases in One-Off Charges**

Any increase in the Entry Charge, Switching Fee, Conversion Fee, exchange fee or Exit Charge may be made if it is deemed by the Manager to be a significant rather than a fundamental change as set out in the COLL Sourcebook, only after giving 60 days written notice to Unitholders and revising the Prospectus to reflect the proposed increase. If the proposed charge is deemed fundamental the approval of Unitholders is required.

## **4. Other Payments out of the Scheme Property**

In addition to the Fund Management Fee, so far as the Regulations allow, the following will routinely be paid out of the Scheme Property of each Sub-fund, and these would typically not be included in the Ongoing Charges figure shown in Section 3, with the exception of the fees and expenses referred to at paragraph (d) below (fees incurred in relation to litigation pursued on behalf of the Scheme or Sub-fund(s)) which would be included in the Ongoing Charges figure:

- (a) taxation and duties payable by the Scheme, including without limitation in respect of the Scheme Property or the issue or redemption of Units, to the relevant tax authority which shall be reviewed daily and accrued as and when a provision is required to be made and paid when due.

So far as the Regulations allow, a number of other fees and expenses may also be paid out of the Scheme Property of each Sub-fund as and when such fees and expenses arise and although not something which would routinely be incurred, if and when they did arise, these would typically not be included in the Ongoing Charges figure, namely:

- (b) fees and expenses incurred in acquiring, disposing of and registering investments which for example may include, but are not limited to (i) the fee paid to a broker to execute a trade, based on the number of shares traded and (ii) any issue or transfer taxes or stamp duty or stamp duty reserve tax chargeable at the prevailing rate imposed by and payable to the relevant tax authority. Such costs are included as part of the confirmed purchase/sale price of the investment and are paid as part of that price on the contractual settlement date of the purchase / sale;
- (c) interest on borrowings and charges and expenses incurred in effecting, arising out of or terminating such borrowings or in negotiating or varying the terms of such borrowings; and
- (d) the fees, expenses and disbursements of the tax, legal and other professional advisers in relation to litigation pursued for, or on behalf of, the Scheme or Sub-fund(s).

Subject to current HM Revenue & Customs regulations, the Scheme may pay out of Scheme Property any Value Added Tax (or similar tax) payable in respect of any fees or expenses referred to in this section. Where appropriate, such tax is charged at the prevailing rate imposed by HMRC (or other relevant tax authority) on the relevant expense and accrued and paid at the time of the expense.

Other than the Fund Management Fee, which is charged against income or capital as set out above, fees and expenses (and taxes thereon) are allocated between capital and income in accordance with the Regulations and the Statement of Recommended Practice regarding the Financial Statements of Authorised Funds issued by the Investment Association as of October 2010 as amended and for the time being in force.

Currently the payments listed above are borne by the Manager with the exception of those set out in (a) and (d). Unitholders will be given notice in accordance with the rules set out in the COLL Sourcebook if any of the other fees or expenses listed above are taken from the Scheme Property of the Sub-funds.

All the above fees and expenses (other than those borne by the Manager) will be charged to the relevant Sub-fund. However, where it is not considered to be attributable to any one Sub-fund, the Manager will allocate it in a manner which is fair to Unitholders generally. This will usually mean that expenses will be allocated across all Sub-funds in proportion to the value of each Sub-fund's net assets.

Fees and expenses specific to a Class will be allocated to that Class. They will otherwise be allocated in a manner which is fair to Unitholders generally and will normally be allocated to all Classes in proportion to the value of the net assets of the relevant Class.

## 5. Access to costs and charges information

In addition to the information set out in the section headed "Fees and Expenses" and other than the Ongoing Charge, further costs and charges information for investors and prospective investors relating to MiFI Regulations and PRIIPs Regulation can also be found on the Manager's website at [www.avivainvestors.com/en-gb/capabilities/regulatory/mifid-ii/](http://www.avivainvestors.com/en-gb/capabilities/regulatory/mifid-ii/) or [www.avivainvestors.com/en-gb/capabilities/regulatory/eu-](http://www.avivainvestors.com/en-gb/capabilities/regulatory/eu-)Forward looking costs

figures are estimates based on historic data, where available and relevant, or are based upon the MiFI Regulations guidelines for producing estimated forward looking costs figures when historic data is not available. Actual cost figures, which will be reported on an ex-post basis, may vary from estimates given; in particular, research costs previously charged to the Funds will now be paid for by the Manager or Investment Manager.

## **6. Research Costs**

Any third party research received in connection with investment advisory services that the Investment Manager or the Manager provides to the Funds will be paid for by the Investment Manager or the Manager, as relevant in relation to each Fund, out of its fees and will not be charged to the Funds.

## **J. Winding-Up of the Scheme and Termination of Sub-funds**

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### **1. Circumstances where winding-up may occur**

- (a) The Trustee shall proceed to wind-up the Scheme:
  - (i) if the order declaring the Scheme to be an authorised unit trust scheme is revoked; or
  - (ii) if the Manager or the Trustee requests the FCA to revoke the order declaring the Scheme to be an authorised unit trust scheme and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Scheme, the FCA will accede to that request; or
  - (iii) on the passing of an extraordinary resolution winding up the Scheme, provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee; or
  - (iii) on the effective date of a duly approved scheme of arrangement which results in the Scheme or Sub-fund being left with no property.
- (b) A Sub-fund may be terminated under the COLL Sourcebook if the Sub-fund is solvent and the steps required under section 251 of the Financial Services and Markets Act 2000 are complied with
- (c) If any of the events set out in (a) above occurs, COLL 6.2 (concerning Dealing), COLL 6.3 (concerning Valuation and Pricing) and COLL 5 (concerning Investment and Borrowing Powers) will cease to apply, the Trustee shall cease the creation and cancellation of Units, and the Manager will stop buying, selling and arranging the creation or cancellation of Units.

### **2. Manner of winding-up**

In the case of a scheme of arrangement, the Trustee shall wind-up the Scheme or terminate a Sub-fund in accordance with the approved scheme of arrangement.

In any other case, the Trustee shall, as soon as practicable after the Scheme falls to be wound-up, or a Sub-fund terminated, realise the assets of the Scheme or Sub-fund and, after paying out or retaining provision for all liabilities properly payable and for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings.

Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds become payable, shall be assessed as to whether it is material. If deemed to be material, it will be apportioned and paid to Shareholders in proportion to their rights to participate in the Scheme Property of the Fund at the closure date. If not deemed to be material, it will be donated to a charity selected by the Manager (but on the basis that the Manager will retain appropriate records and will pay a sum equal to a Shareholder's

share of the balance so paid away to charity in the event of any future claim made by that Shareholder). Materiality in this context will be considered with the Depositary relative to the costs of distribution.

On completion of the winding-up of the Scheme, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.

## K. Changes to the Scheme

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Where any changes are proposed to be made to the Scheme or a Sub-fund the Manager will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Unitholder approval will be required. If the change is regarded as significant, 60 days' prior written notice will be given to Unitholders. If the change is regarded as notifiable, Unitholders will receive suitable notice of the change.

Certain changes to the Scheme or a Sub-fund, where appropriate, may require approval by the FCA under the Financial Services and Markets Act 2000. In addition, the Manager is required to seek your approval to, or notify you of, various types of changes to the Scheme, as explained below.

### 1. Fundamental changes

A fundamental change is a change or event which changes the purposes or nature of the Scheme or may materially prejudice a Unitholder or alter the risk profile of the Scheme or introduce any new type of payment out of the Scheme Property of the Scheme.

For fundamental changes the Manager must obtain Unitholder approval, by way of an Extraordinary Resolution (which needs 75% of the votes to be in favour if the resolution is to be passed). An Extraordinary Resolution is required, for example, for the introduction of new fees.

There may also be other instances where a change is not classified as fundamental but Unitholder approval is still required. Unless an Extraordinary Resolution is specifically required by the COLL Sourcebook, the Trust Deed or this Prospectus, this will be by Ordinary Resolution. For an Ordinary Resolution to be passed, more than 50% of the votes cast must be in favour. An Ordinary Resolution may be required, for example, for the removal of the Manager.

The convening and conduct of meetings of Unitholders and the voting rights of Unitholders at those meetings is governed by the provisions of the COLL Sourcebook and the Trust Deed.

### 2. Significant changes

A significant change is a change or event which is not fundamental but which affects the Unitholder's ability to exercise his rights in relation to his investment or would reasonably be expected to cause the Unitholder to reconsider his participation in the Scheme, or results in any increased payments out of the Scheme Property to the Manager or to an associate of the Manager, or materially increases any other type of payment out of the Scheme Property of the Scheme.

The Manager must give reasonable prior notice (of not less than sixty days) in respect of any such proposed significant change. For example at least 60 days' written notice would be given of any significant increase in fees payable to the Manager.

### 3. **Notifiable changes**

A notifiable change is a change or event other than a fundamental change or a significant change of which a Unitholder must be made aware unless the Manager concludes that the change is insignificant. The Manager must inform Unitholders in an appropriate manner and time scale of any notifiable changes that are reasonably likely to affect or have affected the operation of the Scheme.

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## **L. Meetings and Voting Rights**

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### **Requisitions of Meetings**

The Manager may requisition a general meeting of Unitholders at any time.

Unitholders may also requisition a general meeting. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as the holders of Units representing not less than one-tenth in value of all Units then in issue and the requisition must be deposited at the head office of the Trustee. A general meeting must then be convened for a date no later than eight weeks after receipt of such requisition.

### **Notice and Quorum**

Unitholders will receive at least 14 days' written notice of a Unitholders' meeting inclusive of the date on which the notice is served and the day of the meeting. The quorum for a meeting is two Unitholders present in person or by proxy. The quorum for an adjourned meeting is one Unitholder present in person or by proxy.

Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

### **Voting Rights**

Generally, Unitholders are entitled to receive notice of a meeting and to vote at a meeting if they were holders of Units in the Scheme on the date seven days before the notice is sent out. This will not, however, include those who are known to the Manager not to be holders at the date of the meeting.

At a meeting of Unitholders, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard is entitled to one vote. Where joint Unitholders are named on the Register, only the votes of the first-named Unitholder will be counted.

On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit in such a case are such proportion of the voting rights attached to all the Units in issue as the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven days before the notice of meeting is sent out.

An instrument appointing a proxy may be in any usual or common form, or any form approved by the Manager. The person appointed to act as a proxy need not be a Unitholder.

A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

In the case of joint holders the vote of the person whose name appears first on the Register of unitholders shall be accepted to the exclusion of the other joint holder.

The Manager is entitled to attend any meeting but, except in relation to third party Units, may not vote or be counted in the quorum for a meeting and any Units it holds are treated as not being in issue for the purposes of the meeting. An Associate of the Manager is entitled to attend any

meeting of the Scheme and may be counted in the quorum, but may not vote except in relation to third party Units. For these purposes third party Units are any Units which the Manager or Associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or Associate has received voting instructions.

Subject to the COLL Sourcebook, in the case of an equality of, or an absence of, votes cast, the chairman of the meeting is entitled to a casting vote.

### **Proceedings at General Meetings**

A person nominated by the Trustee will preside as chairman at general meetings. If no such person is present or declines to take the chair, the Unitholders present may choose one of their number to be chairman.

The chairman of any quorate meeting may with the consent of the meeting adjourn the meeting from time to time (or without date) and from place to place, and if he is directed by the meeting to adjourn he must do so. No business can be transacted at an adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

Unitholders have rights under the COLL Sourcebook to demand a poll. In addition, a poll may be demanded by the chairman of the meeting or by the Manager on any resolution put to the vote of a general meeting.

Unless a poll is required, a declaration by the chairman that a resolution has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the record of proceedings will be taken without proof, as conclusive evidence of that fact. If a poll is required, it will be taken in such manner (including the use of ballot papers or electronic or computer voting system) as the chairman may direct.

The chairman may take any action he considers appropriate, for example, for the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority.

### **Corporations Acting by Representatives**

Any corporation which is a Unitholder may by resolution of its directors or other governing body and in respect of any Unit or Units of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Unitholders or of any Class or Sub-fund meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Unit or Units if it were an individual Unitholder and such corporation shall be deemed to be present in person if an individual so authorised is present. A corporation which holds Units as nominee may appoint more than one such representative, each in respect of a specified number of Units which the corporation holds, and each such representative shall be entitled to exercise the powers mentioned above only in respect of the Units concerned.

### **Class and Sub-fund Meetings**

The above provisions, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of Unitholders but by reference to Units of the Class or Sub-fund concerned and the Unitholders and prices of such Units.

## M. Conflicts

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The Manager and other companies within the Aviva group may, from time to time, act as managers, corporate directors, investment advisers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds of the Scheme. It is therefore possible that the Manager may, in the course of its business, have potential conflicts of interest with the Scheme or Sub-funds, and other funds managed by the Manager.

The Manager will take all reasonable steps to avoid conflicts of interest and will, where conflicts of interests or potential conflicts of interest do arise, take reasonable steps to identify, manage and monitor such conflicts of interest in order to prevent them from adversely affecting the interests of the Scheme, the Sub-funds and the Unitholders, and to ensure the fair treatment of the Scheme, the Sub-funds and any other relevant investment fund. In particular, the Manager and the Investment Adviser shall have regard to the obligation to act in the best interests of the Scheme, the Sub-funds and the Unitholders, and the integrity of the market. Where a conflict of interest cannot be avoided, the Manager will ensure that the Scheme and the other funds it manages are fairly treated.

The Manager maintains a written conflict of interest policy. The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Scheme or its Unitholders will be prevented. Should any such situations arise the Manager will, as a last resort if the conflict cannot be avoided disclose these to Unitholders in an appropriate format.

Other possible conflicts of interest that may arise include the following:

- The Trustee may, from time to time, act as the trustee and/or depositary of other Schemes and may, subject to the COLL Sourcebook and FUND Sourcebook, hold money on deposit from, lend money to, or engage in share lending transactions in relation to the Scheme provided such transactions are at arm's length and are carried out in accordance with the Trustee's policy for Best Execution.
- The COLL Sourcebook contains provisions on conflict of interest governing any transaction concerning the Scheme which is carried out by or with any affected person ("Affected Person"), an expression which covers the Scheme, the Manager, the Trustee, and an Associate of any of them. These provisions, among other things, enable an Affected Person to sell or deal in the sale of property to the Scheme or the Trustee for the account of the Scheme; vest property in the Scheme or the Trustee against the issue of Units; purchase property from the Scheme (or the Trustee acting for the account of the Scheme); or provide services for the Scheme. Any such transactions with or for the Scheme are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in the COLL Sourcebook. An Affected Person carrying out such transaction is not liable to account to the Scheme, the Trustee, the Manager, any other Affected Person, or to the Unitholders or any of them for any benefits or profits thereby made or derived.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Trustee has functionally and

hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Trustee issues to be properly identified, managed, and monitored. As set out above, this relates to conflicts of the Depositary rather than the Manager.

## N. Reports and Information

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### 1. Annual and Half-yearly Reports

Annual long reports will normally be published within four months after the end of the annual accounting period and half-yearly long reports will normally be published within two months after the end of the interim half-yearly accounting period. These are available at [www.avivainvestors.com](http://www.avivainvestors.com) or on request from the Manager.

#### Information to be made available periodically to Unitholders

The annual and half yearly reports will include relevant periodic disclosures which should be provided to Unitholders under the UK AIFM Regime and the COLL Sourcebook.

The following information will be made available to Unitholders, as a minimum, as part of a Sub-fund's annual report:

- a) The percentage of each Sub-fund's assets that are subject to special arrangements arising from their illiquid nature,
- b) Any new arrangements for managing the liquidity of a Sub-fund,
- c) The current risk profile of each Sub-fund and the risk management systems employed by the Manager to manage those risks,
- d) The total amount of leverage employed by each Sub-fund, and
- e) Any changes to the maximum level of leverage that the Manager may employ on behalf of each Sub-fund and any changes to the right of reuse of collateral or any guarantee granted under leveraging arrangements.

Unitholders will be notified if a Sub-fund uses its powers of deferral in relation to requests for redemption, the activation of similar liquidity management arrangements, or if the Manager decides to suspend redemptions. Unitholders will also be notified whenever the Manager makes material changes to liquidity management systems and procedures in respect of a Sub-fund.

In relation to the disclosure of a Sub-fund's risk profile, the UK AIFM Regime prescribes that the following information must be disclosed:

- a) The measures used to assess the sensitivity of a Sub-fund's portfolio to the risks to which that Sub-fund is, or may be, exposed.
- b) Whether risk limits prescribed by the Manager have been, or are likely to be, exceeded.

- c) Where these risk limits have been exceeded, a description of the relevant circumstances and the measures taken to remedy the situation.

In addition, the information to be made available in a Sub-fund's annual report, the Manager may, if it thinks it appropriate, provide additional periodic disclosure regarding the Scheme and its Sub-funds, and shall do so if required by the Regulations. The Manager will decide on the appropriate manner and timing of any such disclosures on a case-by-case basis. Provision of such information is additional to statements which are specific to a Unitholder's individual holding of Units.

### **Documents of the Scheme**

The following documents may be inspected free of charge from at least 9.00am until at least 5.00pm on every Business Day at the offices of the Manager at 80 Fenchurch Street, London, EC3M 4AE:

- (a) the most recent annual and half-yearly reports of the Scheme;
- (b) the most recent Prospectus of the Scheme;
- (c) the Trust Deed;
- (d) the material contracts referred to below;
- (e) information relating to the Scheme's risk management policy (including the quantitative limits applying to the risk management of the Scheme, the methods used in relation to this and details of any recent developments of the risks and yields of the main categories of investment);
- (f) information regarding the Manager's best execution policy (regarding the Manager's obligation to take reasonable steps to obtain the best possible result for the Scheme, the Sub-funds and Unitholders when placing orders to deal on behalf of the Scheme) (and any material changes to that policy); and
- (g) a summary of the Manager's strategies for determining when and how any voting rights held in the Sub-fund portfolios it manages are to be exercised, and details of the actions taken on the basis of those strategies.

Unitholders may obtain copies of the above documents and information referred to above, and any person may obtain copies of the documents set out in (a) and (b) from the above address. The Manager may make a charge at its discretion for copies of documents (other than those set out at (a) and (b) above).

Documents (b) and (g) may be obtained from the Manager's website [www.avivainvestors.com](http://www.avivainvestors.com)

### **Material Contracts**

The Depositary Agreement referred to in the section entitled "Management of the Scheme" above has been entered into and may be considered material.

## O. General Information

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### 1. Base Currency

The base currency of the Scheme is pounds sterling.

### 2. Auditor

The Auditors of the Scheme are PricewaterhouseCoopers LLP of 7 More London Riverside, London, SE1 2RT.

### 3. Taxation

Please note that the Aviva PAIF, and therefore the Sub-Funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment.

#### General and Disclaimer

The Sub-funds of the Scheme are available for investors which are a Body Corporate whose investment in the Aviva PAIF itself might lead the Aviva PAIF to fail to meet the corporate ownership test and for other investors who may not wish to, or are unable to, invest in the Aviva PAIF directly due to the consequences arising from its PAIF status, such as the streaming of returns.

The following is an outline of the Manager's understanding of current UK taxation legislation that applies to the Scheme and investments in the Scheme held by UK tax resident Unitholders. It does not apply to special categories of shareholder such as dealers in securities and insurance companies. The basis and rates of taxation may change in the future. Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future. Unitholders are therefore recommended to consult their professional advisers for specific advice in connection with any decision to acquire, hold or dispose of Units. Unitholders may be subject to taxation in a country other than the UK, for example because they reside or are established in that other country.

#### The Scheme

Each Sub-fund will be treated as a separate entity for UK tax purposes.

The Sub-funds of the Scheme are dedicated to investing in shares in the Aviva PAIF and can only hold shares in the Aviva PAIF and cash which includes cash on deposit, for the purposes of meeting the obligations of the Scheme. The Scheme will receive Aviva PAIF property income distributions, Aviva PAIF interest distributions and Aviva PAIF dividend distributions from the Aviva PAIF. The Aviva PAIF property income distributions and Aviva PAIF interest distributions will be received without tax having been deducted so the Scheme will be liable to corporation tax at a rate of 20% in relation to those distributions. It will be exempt from corporation tax on Aviva PAIF dividend distributions.

The Scheme is exempt from tax on chargeable gains arising from the disposal of its investments.

## **Unitholders**

Unitholders may potentially suffer tax both on any income they receive from their Units and on any capital gain they realise on disposing of their Units.

## **Reinvestment, Accumulation and Income Shares**

Unitholders can issue an instruction to have income distributions automatically reinvested into new Units. This does not affect the income tax treatment of the distribution. The new Units will be a separate holding for UK tax purposes.

The same income tax treatment also applies if Accumulation Units are held. However, the distributions will be treated as an extra cost in calculating the profit arising on the disposal of the Accumulation Units.

## **Equalisation**

The first income allocation received by an investor after buying Units may include an amount of income equalisation. This is effectively a repayment of the income paid by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Units for tax purposes.

## **Distributions**

The Scheme will pay dividend distributions.

## **Tax treatment for UK Resident Individual Unitholders**

### *Distributions*

Distributions paid by any sub-funds are taxable as dividend receipts in the hands of UK resident individual unitholders.

### *Profits on Disposal of Units*

- (i) Profits arising on the disposal of Units in any Sub-fund are subject to capital gains tax. Part of the increase in value of Accumulation Shares is accumulated income. This may be added to the acquisition cost when calculating the capital gain. However if the total gains from all sources realised by an individual Unitholder in a tax year, after deducting allowable losses, are less than the annual exemption, there is no capital gains tax to pay.
- (ii) With the exception of exchanges between the Scheme and Aviva PAIF as detailed in (iv) below, if the Unitholder switches his Units for Units in another Sub-fund of the Scheme or for Units or Shares in a different scheme or company capital gains tax may be payable on any profit calculated by reference to the market value of the Units at the date of the switch.
- (iii) Capital gains tax will not generally be payable if Units are Converted into Units of a different Class in the same Sub-fund of the Scheme, which will be treated as if they

were acquired at the same time and in the same way as the original Units for capital gains tax purposes, unless the Classes have different hedging relationships.

- (iv) If a Unitholder exchanges Units in the Sub-funds of the Scheme for shares in the Aviva PAIF, or alternatively exchanges shares in the Aviva PAIF for Units in a Sub-fund of the Scheme, where, generally, the exchange has been undertaken for bone fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to tax, the exchange will not be a disposal for the purposes of tax on capital gains so long as, in the case of an exchange of Shares in the Aviva PAIF for Units in a Sub-fund of this Scheme, such an exchange takes place by arrangement with the ACD. Exchanges between the Scheme and the Aviva PAIF which are not by arrangement with the ACD.

## **Tax Treatment of UK Resident Corporate Unitholders (“Corporate Unitholders”)**

### *Distributions*

Distributions have to be split into that part which relates to PAIF dividend income and that part which relates to other income. The part relating to PAIF dividend income is not taxable. The other part is deemed to be an annual payment received by Unitholders after deduction of income tax at the basic rate, currently 20% (“deemed tax deducted”). Such Corporate Unitholders will be subject to corporation tax on the grossed-up amount of the annual payments but will be entitled to a credit of the deemed tax deducted.

### *Gain on Disposal of Units*

Any gain arising on the disposal of Units is subject to corporation tax on chargeable gains, but is reduced by indexation relief, which, where applicable is based on increases in the Retail Price Index from the date of acquisition to 31 December 2017.

As with individual UK resident Unitholders a tax charge can also arise if Units are Switched for Units in another Sub-fund of the Scheme or for Units or Shares in a different Scheme or Company, but no tax will generally arise if Units in the Scheme are Converted into Units of another Class within the same Sub-fund within the Scheme unless different hedging arrangements are in place for two Classes of Units. If a Unitholder exchanges Units in the Scheme for shares in the Aviva PAIF, or alternatively exchanges shares in the Aviva PAIF for Units in this Scheme, where, generally, the exchange has been undertaken for bone fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to tax, the exchange will not be a disposal for the purposes of tax chargeable capital gains so long as, in the case of an exchange of Shares in the Aviva PAIF for Units in a Sub-fund of the Scheme, such an exchange takes place by arrangement with the ACD.

## **Tax Treatment for Non-UK Resident Unitholders**

Non-UK resident Unitholders will receive dividend distributions gross of any UK income tax deduction.

Given that ordinarily the Scheme derives more than 75% of its value from UK land and properties, through holding shares in the Aviva PAIF, other than in exceptional circumstances, it will be regarded as a UK property rich collective investment scheme for Non-Resident Capital Gains Tax purposes, with a consequence being that disposals of interests from 6 April 2019 could be subject to UK capital gains taxation. The position will depend on a Non-UK resident Unitholder's own circumstances. However, Unitholders can contact the Manager for certain information on the aggregate assets and liabilities of the Scheme on any given date should they wish to assess whether it is property rich on that date.

#### **Tax treatment for UK Tax Exempt Unitholders**

UK tax exempt Unitholders will receive dividend distributions gross of any UK income tax deduction.

#### **4. Telephone Recording**

The Manager may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call coming from the relevant investor. If the Manager is requested to provide a recording of a particular call, the Manager may ask for further information to help it identify the exact call to which the request relates.

#### **5. Notices**

All notices or documents required to be served on Unitholders will be served by post to the address of the Unitholder as evidenced on the Register. All documents and remittances are sent at the risk of the Unitholder.

## 6. Complaints

Complaints may be referred to the Manager by writing to Aviva Investors Administration Office PO Box 10410 Chelmsford CM99 2AY.

### **If you're not happy with our response to your complaint**

If you feel we've not considered all of your issues or you can provide further information, please let us know and we'll be happy to review it. But if you're unhappy with the outcome you can ask the Financial Ombudsman Service to carry out an independent review of your complaint. In any event, you have the right to ask them to review your complaint if we've been unable to resolve it within 8 weeks.

If you are unsure whether the Financial Ombudsman Service will consider your complaint, please contact them directly for advice. The service they provide is free and impartial and contacting them at any stage of your complaint will not affect your legal rights.

The contact details are:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Their phone numbers are 0300 123 9123 (charged at a national rate) or 0800 023 4567 (free from UK landlines and mobiles). Lines are open from Monday to Friday - 8am to 8pm, Saturday - 9am to 1pm.

Alternatively, you can file a complaint on their website <https://help.financial-ombudsman.org.uk/help> or browse their site for advice and information [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

Making a complaint will not prejudice your right to take legal proceedings.

Further information regarding any compensation scheme or any other investor compensation scheme of which the Manager or any Sub-fund is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

Further details may be obtained from the Compliance Officer of the Manager at the address for Aviva Investors Administration Office set out above.

## **7. Client Money**

All money received from the Unitholder or due to be paid to the Unitholder will be held in bank accounts domiciled in the UK. When the money is held outside the delivery versus payment window (defined above) it will be held in a client money bank account and segregated from the Manager's own money as required by the FCA's Client Asset (CASS) Rules.

Money held in client money bank accounts will not accrue interest and none will be paid to the Unitholder.

The Manager will send an annual client money statement to the Unitholder if it holds any client money for the Unitholder on the statement date.

## **8. Unclaimed Money**

Where Unclaimed Money cannot be returned to the relevant Unitholder for a period of at least six years, despite the Manager's attempts to contact them, the FCA's Client Asset (CASS) Rules permit the Manager to pay the Unclaimed Money to charity. The payment of Unclaimed Money to charity does not prevent a Unitholder from claiming the money in the future, and the Manager will honour all valid claims from Unitholder whether or not the Unclaimed Money has been paid to charity.

## **9. Restrictions on investment and holding of Aviva Plc shares and other Aviva securities**

The Manager has determined with effect from 17 February 2020 to restrict funds that are actively managed by investment managers within the Aviva group, such as Aviva Investors Global Services Limited, from being permitted to directly or indirectly invest in or hold Aviva Plc shares and other securities issued by Aviva Plc such as bonds, commercial paper and derivatives of these securities (collectively 'Aviva Securities'). The prohibition on indirect exposure to Aviva Securities shall not include:

- indirect exposure to a financial index, for example through an index future, where Aviva is a constituent of the financial index and,
- investment in other funds managed by third parties, where the underlying funds may have exposure to Aviva Securities.

For further details of how this relates to the Sub-funds refer to Section 4 Investment Powers and Borrowing Limits of the Scheme.

## SECTION 2 – DETAILS OF THE AVIVA PAIF

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**Please note that the Aviva PAIF is in the process of being terminated and is no longer available for new investment.**

<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FUND</b>
<b>Type of Fund:</b>	NURS and UK AIF
<b>Launch date:</b>	18 August 2017
<b>First Dealing Day:</b>	21 August 2017
<b>Investment objective:</b>	<p>The Fund aims to provide a combination of income and growth over the long term (5 years or more), by investing in UK property.</p> <p>The Fund is structured as a Property Authorised Investment Fund.</p> <p>The investment objective of the Fund is to carry on Property Investment Business and to manage the cash raised from investors for investment in the Property Investment Business.</p>
<b>Investment policy:</b>	<p><b>Core investment:</b> At least 70% of the Fund will be directly invested in UK property (in normal market conditions), which will mainly consist of commercial properties (such as offices, shops and shopping centres, distribution hubs and warehouses), although other types of property may also be held (such as student accommodation, hotels, residential property). The Fund may also invest indirectly in property through partnerships, companies, property-related shares, or other funds (including funds managed by Aviva Investors companies).</p> <p><b>Other investments:</b> The Fund may also invest in bonds issued by companies, governments or supranational organisations, cash, and deposits.</p> <p>Derivatives may be used from time to time, to gain a particular market exposure which would otherwise be difficult or costly to achieve, or to manage the Fund's cash flows in a cost-effective manner. This type of derivative usage is called "efficient portfolio management".</p> <p><b>Strategy:</b> The Fund is actively managed and the Investment Manager aims to use detailed analysis, expertise and relationships to drive income and growth for investors, rather than relying on property market movements alone. This will include making decisions such as actively managing property</p>

transactions, redeveloping properties and the negotiation of leases.

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

**Performance & Risk Measurement:** The Fund’s performance is compared against the Investment Association UK Direct Property Sector (the “Sector”). The Sector is an industry benchmark made up of funds which meet the Sector criteria, which includes investing at least 70% of their assets directly in UK property on average over 5 year rolling periods.

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

<b>Final accounting date:</b>	30 September
<b>Interim accounting dates:</b>	31 March
<b>Income distribution dates:</b>	On or before 30 November and 31 May
<b>Valuation Point:</b>	12.00 noon
<b>Dealing Day for Subscription:</b>	Any Business Day
<b>Cut-Off Point for Subscriptions:</b>	The Aviva PAIF operates a 12.00 noon dealing cut-off. However, subscriptions for Shares received from the Sub-funds after the 12.00 noon dealing cut-off, but before 6pm UK time on that Dealing Day, or such other time as may be stipulated by the ACD and the Depositary of the Aviva PAIF, may still be accepted by the ACD and processed at the price calculated as at the Valuation Point on that Dealing Day.

**Dealing Day for Redemption:**

Any Business Day

**Cut-Off Point for Redemptions:**

The Aviva PAIF operates a 12.00 noon dealing cut-off. However, redemptions of Shares received from the Sub-funds after the 12.00 noon dealing cut-off, but before 6pm UK time on that Dealing Day, or such other time as may be stipulated by the ACD and the Depositary of the Aviva PAIF, may still be accepted by the ACD and processed at the price calculated as at the Valuation Point on that Dealing Day.

## SECTION 3 – DETAILS OF THE SUB-FUNDS OF THE SCHEME

**Please note that the Sub-funds of the Scheme investing in the Aviva PAIF are in the process of being terminated and are no longer available for new investment.**

<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FEEDER INC FUND</b> (please note that this Sub-fund is in the process of being terminated and is no longer available for new investment)
<b>Type of Fund:</b>	NURS and UK AIF
<b>Launch date:</b>	18 August 2017
<b>First Dealing Day:</b>	21 August 2017
<b>Investment objective:</b>	The Fund aims to provide a combination of income and growth over the long term (5 years or more), through exposure to UK property.
<b>Investment policy:</b>	<p><b>Core investment:</b> The Fund will be invested solely in the Aviva Investors UK Property Fund (the “Master Fund”) other than cash and deposits, which will only be held to ensure that the Fund can meet its payment obligations.</p> <p><b>Master Fund Strategy and environmental, social and governance (“ESG”) factors:</b> The Fund aims to achieve similar investment returns to the Master Fund. However, returns may be different as a result of the cash and deposits held by the Fund.</p> <p>The Master Fund is structured as a Property Authorised Investment Fund and will invest at least 70% of its assets in UK property in normal market conditions. The Master Fund’s strategy, including its consideration of ESG factors, is set out below:</p> <p>The Master Fund is actively managed and the Investment Manager aims to use detailed analysis, expertise and relationships to drive income and growth for investors, rather than relying on property market movements alone. This will include making decisions such as actively managing property transactions, redeveloping properties and the negotiation of leases.</p> <p>ESG factors are integrated into the due diligence performed before purchasing assets for the Master Fund, and throughout the life of the investment, with the intention of reducing risk, protecting value, and delivering enhanced income and growth. This includes engagement with the occupiers of properties to reduce energy consumption and waste, and to increase community engagement. Identification of ESG risks does not preclude investment in or the continued holding of an asset, as our ability to mitigate risks through active management of assets is also taken into account, and the Investment Manager retains discretion over the investments that are selected for the Master Fund. Aviva Investors’ investment policy includes limited ESG restrictions, and further information on how we integrate Responsible Investment and these restrictions into our investment approach,</p>

	<p>and how we engage with companies is available on our website and in the prospectus.</p> <p>Investors may wish to refer to the Key Investor Information Document and prospectus for the Master Fund for full details of its investment objective and the investments it can make.</p> <p><b>Performance &amp; Risk Measurement:</b> The Fund's performance is compared against the Investment Association UK Direct Property Sector (the "Sector"). The Sector is an industry benchmark made up of funds which meet the Sector criteria, which includes investing at least 70% of their assets directly in UK property on average over 5 year rolling periods. The Sector also includes funds whose policy is to dedicate investment into one of the funds which meet the Sector criteria, which is the case for the Fund.</p> <p>The Sector has been selected as a benchmark for performance measurement because the Fund will be managed in line with the criteria of the Sector, and it is an independent measure of the performance of investment funds which are comparable to those of the Fund. It is therefore an appropriate comparator for the Fund's performance.</p>
<b>Final accounting date:</b>	30 September
<b>Interim accounting dates:</b>	31 March
<b>Income distribution dates:</b>	On or before 30 November and 31 May
<b>Valuation Point:</b>	12.00 noon
<b>Dealing Day for Subscription:</b>	Any Dealing Day
<b>Cut-Off Point for Subscriptions:</b>	The Sub-fund operates a 12.00 noon dealing cut-off. Instructions to deal in Units which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. All instructions received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.
<b>Dealing Day for Redemption:</b>	Any Dealing Day

<b>Cut-Off Point for Redemptions:</b>	Redemption requests which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. Redemption requests received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.
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<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FEEDER INC FUND</b>			
<b>Classes of Units:</b>	<b>Class 1</b>	<b>Class 2</b>	<b>Class 5</b>	<b>Class 7</b>
<b>Type of Units Available:</b>	Net Income	Net Income	Net Income	Net Income
<b>Currency of denomination:</b>	GBP	GBP	GBP	GBP
<b>Entry Charge:</b>	0.00%	0.00%	0.00%	0.00%
<b>Exit Charge:</b>	0.00%	0.00%	0.00%	0.00%
<b>Fund Management Fee ***</b>	1.02% ****	0.74%	0.67%	0.74%
<b>Classification for Discount to Fund Management Fee</b>	Complex	N/A	N/A	N/A
<b>Ongoing Charge: **</b>	N/A	N/A	N/A	N/A
<b>Minimum initial investment: *</b>	£1,000	£500,000	£100,000,000	£500,000
<b>Minimum subsequent investment: *</b>	£250	£25,000	£1,000,000	£25,000
<b>Minimum holding: *</b>	£500	£25,000	£100,000,000	£25,000
<b>Minimum redemption: *</b>	£250	£25,000	N/A	£25,000
<b>Regular Savings Plan:</b>	Yes	N/A	N/A	N/A
<b>Charges taken from income:</b>	Yes	Yes	Yes	No
<b>Additional eligibility criteria to access the Class</b>	No	No	Yes***	No

\* The Manager may at its sole discretion accept subscriptions, holdings and redemptions lower than the minimum amount(s) specified

\*\* The Ongoing Charge is stated as at 30 September 2020 for each Class of the Sub-fund (based on actual costs for the 12 month period ending on that date).

\*\*\* With effect from 4th May 2021, the Fund Management Fee that is deducted from Scheme Property of each Class of the Sub-Fund shall be calculated by reference to the Net Asset Value of the Sub-Fund excluding the cash and deposits that it holds.

\*\*\*\*See "Discounts to the Fund Management Fee" above for further detail on the potential discount to the Fund Management Fee for this Class.

**\*\*\*Additional eligibility criteria for Class 5 Units**

Class 5 Units are only available to wealth managers who are able to subscribe an amount in excess of the minimum initial subscription as set out below, and who also meet the following criteria in a. to c. below:

The wealth manager:

- a. applies their discretion to exercise investment decisions on behalf of their clients and has the power to invest in the Units on behalf of those clients; and
  - b. uses less than 10 different nominee names and investment designation combinations to invest in the Units; and
  - c. will enter into a written agreement with the Manager, or a distributor authorised by the Manager, prior to investment into the Sub-fund. The written agreement will set out that Class 5 is available to the wealth manager.
- Minimum initial subscription £100,000,000 (less any Entry Charge)
  - Minimum additional subscription £1,000,000 (less any Entry Charge)
  - Minimum holding £100,000,000

If following a redemption, cancellation, switch, conversion, exchange or transfer, a Unitholder's holding in this Class 5 falls below the minimum holding specified above, the Manager has discretion to convert the Unitholder's entire holding into another Class with a lower minimum holding (if available). The alternative Class is likely to have higher charges than this Class 5. The Manager may use this discretion at any time but will give prior notice to the Unitholder. Failure by the Manager to use its discretion immediately after such redemption, cancellation, switch, conversion, exchange or transfer will not constitute a waiver of this right.

The value of Units for the purpose of this section is calculated by reference to their prevailing price. The minimum holding requirements will not be treated as being breached if the value of Units held falls below the relevant minimum solely as a result of a fall in the Unit price.

<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FEEDER INC FUND</b>
<u>Whether Units will be issued in any other currency:</u>	<b>No</b>
<u>Share Class of the Aviva PAIF into which the Sub-fund will invest</u>	<u>Share Class D</u>
<u>Past performance:</u>	<b><u>As set out in Section 8</u></b>
<u>Investment and Borrowing Powers:</u>	As set out in Section 4
<u>Investor Profile:</u>	<p>This fund is intended for any investor, including a retail investor, who is prepared to risk loss of their capital to potentially get higher returns, by way of income and capital growth and who plans to stay invested for at least 5 years. The target market of the fund is any investor who has read the Key Investor Information Document (KIID), wants an investment with an investment objective and policy as described in the KIID, has a risk appetite consistent with the risk indicator displayed in and is aware of the risks associated with investing that the KIID describes.</p> <p>The Scheme has been established in order to provide indirect access into the Aviva PAIF for those who may not be able to invest directly in the Aviva PAIF itself due to the eligibility criteria for holding or maintaining a shareholding in the Aviva PAIF, the various conditions which apply to the Aviva PAIF in order that it meets the relevant requirements for its tax status, and operational capacity to cope with income streaming. It is therefore expected that the typical investors will be substantial corporate investors and platforms.</p> <p>The fund is appropriate for an investor with basic knowledge, or an informed investor or an experienced investor. It can be purchased with or without professional financial advice. It has been classified as a non-complex investment product so there is no requirement to have prior knowledge or experience of this type of investment before investing – but you should read the KIID and fit into this target market description before making any decisions. The fund is designed to be used as part of a portfolio of investments, but may also be used as a standalone solution. It is not guaranteed and the value of the fund can go up or down. This fund is not for investors who require full capital protection or have no appetite for risk.</p>

<p><u>Leverage</u></p>	<p><u>Types and sources of leverage and circumstances in which leverage may be used</u></p> <p>The Sub-fund may incur leverage (whether through borrowing of cash or securities, or embedded in derivative positions) in the circumstances, and subject to the provisions, which are set out in Section 4.</p> <p><u>Leverage as required to be calculated by the UK AIFM Regime</u></p> <p>Pursuant to its regulatory obligations, the Manager is required to express the level which the Fund's leverage will not exceed. For the purposes of this disclosure, leverage is any method by which the Fund's exposure is increased beyond its holding of securities and cash. A fund's exposure may be increased by using derivatives, by reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted to be used pursuant to that fund's investment objectives and strategy (such increase referred to herein as the "Incremental Exposure"). The UK AIFM Regime prescribes two methodologies for calculating overall exposure of a fund: the "gross methodology" and the "commitment methodology". These methodologies are briefly summarised below but are set out in full detail in the UK AIFM Regime.</p> <p>The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as the fund's own physical holdings and cash. By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a fund. This calculation of exposure under the gross methodology includes all Incremental Exposure as well as the fund's own physical holdings, excluding cash.</p> <p>The UK AIFM Regime requires that each leverage ratio be expressed as the ratio between a fund's total exposure (including securities and cash) and its net asset value. Using the methodologies prescribed under the UK AIFM Regime, the Fund is generally expected to be leveraged at the ratio of 1:1 using the commitment methodology and 1:1 using the gross methodology. The Fund may, however, have higher levels of leverage, including in atypical and volatile market conditions. In such circumstances, leverage will not exceed the ratio</p>
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	of 1.1:1 using the commitment methodology and 2:1 using the gross methodology.
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<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FEEDER ACC FUND</b> (please note that this Sub-fund is in the process of being terminated and is no longer available for new investment)
<b>Type of Fund:</b>	NURS and UK AIF
<b>Launch date:</b>	18 August 2017
<b>First Dealing Day:</b>	21 August 2017
<b>Investment objective:</b>	The Fund aims to provide a combination of income and growth over the long term (5 years or more), through exposure to UK property.
<b>Investment policy:</b>	<p><b>Core investment:</b> The Fund will be invested solely in the Aviva Investors UK Property Fund (the “Master Fund”) other than cash and deposits, which will only be held to ensure that the Fund can meet its payment obligations.</p> <p><b>Master Fund Strategy and environmental, social and governance (“ESG”) factors:</b> The Fund aims to achieve similar investment returns to the Master Fund. However, returns may be different as a result of the cash and deposits held by the Fund.</p> <p>The Master Fund is structured as a Property Authorised Investment Fund and will invest at least 70% of its assets in UK property in normal market conditions. The Master Fund’s strategy, including its consideration of ESG factors, is set out below:</p> <p>The Master Fund is actively managed and the Investment Manager aims to use detailed analysis, expertise and relationships to drive income and growth for investors, rather than relying on property market movements alone. This will include making decisions such as actively managing property transactions, redeveloping properties and the negotiation of leases.</p> <p>ESG factors are integrated into the due diligence performed before purchasing assets for the Master Fund, and throughout the life of the investment, with the intention of reducing risk, protecting value, and delivering enhanced income and growth. This includes engagement with the occupiers of properties to reduce energy consumption and waste, and to increase community engagement. Identification of ESG risks does not preclude investment in or the continued holding of an asset, as our ability to mitigate risks through active management of assets is also taken into account, and the Investment Manager retains discretion over the investments that are selected for the Master Fund. Aviva Investors’ investment policy includes limited ESG restrictions, and further information on how we integrate Responsible Investment and these restrictions into our investment approach, and how we engage with companies is available on our website and in the prospectus.</p>

	<p>Investors may wish to refer to the Key Investor Information Document and prospectus for the Master Fund for full details of its investment objective and the investments it can make.</p> <p><b>Performance &amp; Risk Measurement:</b> The Fund's performance is compared against the Investment Association UK Direct Property Sector (the "Sector"). The Sector is an industry benchmark made up of funds which meet the Sector criteria, which includes investing at least 70% of their assets directly in UK property on average over 5 year rolling periods. The Sector also includes funds whose policy is to dedicate investment into one of the funds which meet the Sector criteria, which is the case for the Fund.</p> <p>The Sector has been selected as a benchmark for performance measurement because the Fund will be managed in line with the criteria of the Sector, and it is an independent measure of the performance of investment funds which are comparable to those of the Fund. It is therefore an appropriate comparator for the Fund's performance.</p>
<b>Final accounting date:</b>	30 September
<b>Interim accounting dates:</b>	31 March
<b>Income distribution dates:</b>	On or before 30 November and 31 May
<b>Valuation Point:</b>	12.00 noon
<b>Dealing Day for Subscription:</b>	Any Dealing Day
<b>Cut-Off Point for Subscriptions:</b>	The Sub-fund operates a 12.00 noon dealing cut-off. Instructions to deal in Units which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. All instructions received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.
<b>Dealing Day for Redemption:</b>	Any Dealing Day
<b>Cut-Off Point for Redemptions:</b>	Redemption requests which are received and accepted by the Manager before 12.00 noon on a Dealing Day will be processed at the 12.00 noon Valuation Point on that Dealing Day. Redemption requests received and accepted after this time will be held over and processed at the 12.00 noon Valuation Point on the next Dealing Day.

<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FEEDER ACC FUND</b>	
<b>Classes of Units:</b>	<b>Class 1</b>	<b>Class 2</b>
<b>Type of Units Available:</b>	Net Accumulation	Net Accumulation
<b>Currency of denomination:</b>	GBP	GBP
<b>Entry Charge:</b>	0.00%	0.00%
<b>Exit Charge:</b>	0.00%	0.00%
<b>Fund Management Fee:***</b>	1.02%	0.74%
<b>Classification for Discount to Fund Management Fee****</b>	Complex	n/a
<b>Ongoing Charge:**</b>	n/a	n/a
<b>Minimum initial investment: *</b>	£1,000	£500,000
<b>Minimum subsequent investment:*</b>	£250	£25,000
<b>Minimum holding:*</b>	£500	£25,000
<b>Minimum redemption:*</b>	£250	£25,000
<b>Regular Savings Plan:</b>	Yes	N/A
<b>Charges taken from income:</b>	Yes	Yes
<b>Additional eligibility criteria to access the Class</b>	No	No

\* The Manager may at its sole discretion accept subscriptions, holdings and redemptions lower than the minimum amount(s) specified

\*\* The Ongoing Charge is stated as at 30 September 2020 for each Class of the Sub-fund (based on actual costs for the 12 month period ending on that date).

\*\*\* With effect from 4th May 2021, the Fund Management Fee that is deducted from Scheme Property of each Class of the Sub-Fund shall be calculated by reference to the Net Asset Value of the Sub-Fund excluding the cash and deposits that it holds.

\*\*\*\*See “Discounts to the Fund Management Fee” above for further detail on the potential discount to the Fund Management Fee for this Class.

<b>Name:</b>	<b>AVIVA INVESTORS UK PROPERTY FEEDER ACC FUND</b>
<u>Whether Units will be issued in any other currency:</u>	<b><u>No</u></b>
<u>Share Class of the Aviva PAIF into which the Sub-fund will invest</u>	<u>Share Class D</u>
<u>Past performance:</u>	<b><u>As set out in Section 8</u></b>
<u>Investment and Borrowing Powers:</u>	As set out in Section 4
<u>Investor Profile:</u>	<p>This fund is intended for any investor, including a retail investor, who is prepared to risk loss of their capital to potentially get higher returns, by way of income and capital growth and who plans to stay invested for at least 5 years. The target market of the fund is any investor who has read the Key Investor Information Document (KIID), wants an investment with an investment objective and policy as described in the KIID, has a risk appetite consistent with the risk indicator displayed in and is aware of the risks associated with investing that the KIID describes.</p> <p>The Scheme has been established in order to provide indirect access into the Aviva PAIF for those who may not be able to invest directly in the Aviva PAIF itself due to the eligibility criteria for holding or maintaining a shareholding in the Aviva PAIF, the various conditions which apply to the Aviva PAIF in order that it meets the relevant requirements for its tax status, and operational capacity to cope with income streaming. It is therefore expected that the typical investors will be substantial corporate investors and platforms.</p> <p>The fund is appropriate for an investor with basic knowledge, or an informed investor or an experienced investor. It can be purchased with or without professional financial advice. It has been classified as a noncomplex investment product so there is no requirement to have prior knowledge or experience of this type of investment before investing – but you should read the KIID and fit into this target market description before making any decisions.</p> <p>The fund is designed to be used as part of a portfolio of investments, but may also be used as a standalone solution. It is not guaranteed and the value of the fund can go up or down. This fund is not for investors who require full capital protection or have no appetite for risk.</p>

<p><u>Leverage</u></p>	<p><u>Types and sources of leverage and circumstances in which leverage may be used</u></p> <p>The Sub-fund may incur leverage (whether through borrowing of cash or securities, or embedded in derivative positions) in the circumstances, and subject to the provisions, which are set out in Section 4.</p> <p><u>Leverage as required to be calculated by the UK AIFM Regime</u></p> <p>Pursuant to its regulatory obligations, the Manager is required to express the level which the Fund's leverage will not exceed. For the purposes of this disclosure, leverage is any method by which the Fund's exposure is increased beyond its holding of securities and cash. A fund's exposure may be increased by using derivatives, by reinvesting cash borrowings, through securities lending or securities borrowing arrangements, or by such other means as may be permitted to be used pursuant to that fund's investment objectives and strategy (such increase referred to herein as the "Incremental Exposure"). The UK AIFM Regime prescribes two methodologies for calculating overall exposure of a fund: the "gross methodology" and the "commitment methodology". These methodologies are briefly summarised below but are set out in full detail in the UK AIFM Regime.</p> <p>The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as the fund's own physical holdings and cash. By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a fund. This calculation of exposure under the gross methodology includes all Incremental Exposure as well as the fund's own physical holdings, excluding cash.</p> <p>The UK AIFM Regime requires that each leverage ratio be expressed as the ratio between a fund's total exposure (including securities and cash) and its net asset value. Using the methodologies prescribed under the UK AIFM Regime, the Fund is generally expected to be leveraged at the ratio of 1:1 using the commitment methodology and 1:1 using the gross methodology. The Fund may, however, have higher levels of leverage, including in atypical and volatile market conditions. In such circumstances, leverage will not exceed the ratio of 1.1:1 using the commitment methodology and 2:1 using the gross methodology.</p>
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## **SECTION 4 - INVESTMENT POWERS AND BORROWING LIMITS OF THE SCHEME**

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### **1. NURS Funds**

This Section sets out the investment restrictions which apply for a Non-UCITS Retail Scheme. It applies to each of the Sub-funds.

The Sub-funds will be invested with the aim of achieving the investment objective of that Sub-fund, but subject to any limits set out in the Sub-fund's investment policy set out in Section 3, this Prospectus and Chapter 5 of the COLL Sourcebook ("COLL") as it applies to Non-UCITS Retail Schemes.

### **2. Prudent spread of risk**

The Scheme is dedicated to the shares of a single property authorised investment fund. With the exception of cash balances which may be retained in the Scheme for the purposes of meeting the obligations of the Scheme, the Sub-funds are permitted to invest solely in the Aviva PAIF pursuant to COLL 5.6.7. The Aviva PAIF is managed with the aim of providing its investment objective and policy, which includes a prudent spread of risk.

### **3. Investment in collective investment schemes**

3.1 All of the value of the Scheme Property may be invested in Shares in the Aviva PAIF (for this paragraph, "the Second Scheme") provided that the Second Scheme satisfies the following conditions.

3.1.1 The Second Scheme must:

- (A) be a UCITS Scheme or a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- (B) be authorised as a non-UCITS retail scheme; or
- (C) be recognised under the provisions of s.264, s.270 or s.272 of the Financial Services and Markets Act 2000; or
- (D) be constituted outside the UK and have investment and borrowing powers which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
- (E) be a scheme not falling within paragraphs (A) to (D) and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

3.1.2 The Second Scheme is a scheme which operates on the principle of the prudent

spread of risk.

- 3.1.3 The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.
  - 3.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
  - 3.1.5 As the Second Scheme is a sub-fund of an umbrella, the provisions in paragraphs 3.1 to 3.2 apply to each sub-fund of the umbrella as if separate schemes.
  - 3.1.6 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager (i.e., the Aviva PAIF) if the Prospectus of the Scheme appropriate to the relevant Sub-fund clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 3.2 The Scheme may, subject to the limit set out in 3.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager or one of its associates.

#### 4. **Cash and near cash**

- 4.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
- (A) the pursuit of the Scheme's investment objective; or
  - (B) the redemption of Units; or
  - (C) efficient management of the Scheme in accordance with its investment objective; or
  - (D) other purposes which may reasonably be regarded as ancillary to the investment objective of the Scheme.

#### 5. **Restrictions on investment and holding of Aviva Plc shares and other Aviva securities**

The Manager has determined with effect from 17 February 2020 to restrict Funds that are actively managed by investment managers within the Aviva group, such as Aviva Investors Global Services Limited, from being permitted to directly or indirectly invest in or hold Aviva Plc shares and other securities issued by Aviva Plc such as bonds, commercial paper and derivatives of these securities (collectively 'Aviva Securities'). The prohibition on indirect exposure to Aviva Securities shall not include:

- indirect exposure to a financial index, for example through an index future, where Aviva is a constituent of the financial index and,
- investment in other funds managed by third parties, where the underlying funds may have exposure to Aviva Securities.

The Aviva PAIF is actively managed by Aviva Investors Global Services Limited and is therefore subject to these restrictions, and as a consequence the Sub-funds will also be subject to the restrictions as they are solely invested in the Aviva PAIF and cash.

## 6. **Responsible Investment**

While the Sub-funds of the Scheme invest only in the Aviva PAIF and cash, the Aviva PAIF is subject to the following exclusions.

### *Exclusions applicable to the Aviva PAIF:*

Responsible Investment relating specifically to direct property investment in the Aviva PAIF is as described in the ESG section of its Investment Policy.

All funds managed by the Manager ("Funds") will avoid certain types of company on ESG or ethical grounds. This avoidance is sometimes referred to as "negative screening" and will result in the Fund that applies the screen not owning the screened types of company.

With effect from 30 April 2020, all Funds apply exclusions to companies which derive prescribed levels of revenue from controversial weapons ("Excluded Companies").

Further details of these exclusions are set out in the Manager's Responsible Investment Policy +("the Policy"), and a summary of the Controversial Weapons exclusion is set out below.

The following have been assessed as falling within the definition of "Controversial Weapons":

1. Weapons that have been subject to widespread ban or restriction by International Treaties and Conventions, on the basis they have one or more of the following characteristics:

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

2. "Civilian Firearms" defined as:

Firearms and small arms ammunitions designed for civilian use, excluding products exclusively sold for the military, government, and law enforcement markets.

The exclusion means that the Manager has prohibited direct investment by the Funds into any Excluded Companies.

The Funds are also prohibited from having indirect exposure to Excluded Companies except where:

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

The exclusion also prohibits the Funds from investing in real estate where certain percentage of contractual rent is derived from tenants that are Excluded Companies. The includes the granting of new leases to Excluded Companies, including in relation to existing real estate assets.

## **ESG Disclaimer**

Our ESG assessments and exclusions are reliant on: (i) data provided by third party data providers; and (ii) AI and third-party proprietary models. Data from these third-party data providers or used in our ESG models may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may, from time to time, incorrectly assess an asset. There is also a risk that the Investment Manager, or the third-party data providers on which we may depend, may not interpret or apply the relevant ESG characteristics correctly. Our proprietary ESG tool emphasises the ESG factors which we determine are most closely correlated to potential financial outperformance. Accordingly, it should not be used as a comprehensive measure of the sustainability risks (or the overall ESG quality/credentials) of a Fund.

## **7. General**

- 7.1 It is envisaged that the Scheme will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in order to enable the redemption of Units, efficient management of the Scheme or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Scheme.
- 7.2 Where the Scheme invests in or disposes of shares in another collective investment scheme which is managed or operated by the Manager or an associate of the Manager, the Manager must pay to the Scheme by the close of business on the fourth Business Day the amount of any entry or initial charge in respect of a purchase, and in the case of a sale, any exit or redemption charge made for the disposal.
- 7.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Scheme but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment

limits as soon as practicable having regard to the interests of Unitholders.

## **8. General power to borrow**

- 8.1 The Trustee may, on the instructions of the Manager, and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Scheme on terms that the borrowing is to be repayable out of the Scheme Property.
- 8.2 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme.

## **9. Restrictions on lending of money**

- 9.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Trustee if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

## **10. Restrictions on lending of property other than money**

- 10.1 Scheme Property other than money must not be lent by way of deposit or otherwise.

## **11. Guarantees and indemnities**

- 11.1 The Trustee may not provide a guarantee or indemnity in respect of the obligation of any person.
- 11.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

## **12. Leverage**

A Sub-fund may use techniques and instruments to increase its exposure, including through borrowing, stock lending or through derivatives. The use of such methods to increase a Sub-fund's exposure is subject to the restrictions specified above and under the COLL Sourcebook.

### **Leverage Ratios**

The maximum level of leverage which a Sub-fund, or the Manager on that Sub-fund's behalf, is permitted to use as part of such Sub-fund's investment strategy is set out in Section 3.

As required by the UK AIFM Regime, leverage is expressed as a ratio between a fund's total exposure and its net asset value. The generic examples below demonstrate the UK AIFM Regime prescribed methodologies that must be used for calculating such leverage ratios.

If a fund were to have 80% physical holding in collective investment schemes, 20% exposure to index futures, 30% forward FX (used to hedge) and 20% cash, in accordance with the UK AIFM Regime such fund's leverage would be expressed as follows:

- using the commitment methodology, a ratio of 1.2:1, where 1.2 represents this fund's exposure to collective investment schemes, index futures and cash; pursuant to the UK AIFM Regime forward FX used for hedging can be netted against a fund's foreign currency exposure;
- using the gross methodology, a ratio of 1.3:1, where 1.3 represents this fund's exposure to collective investment schemes, index futures and forward FX; pursuant to the UK AIFM Regime cash is excluded from the gross method of calculation whereas forward FX used for hedging cannot be netted.

As demonstrated above, the expression of 1.2:1 does comprise "Incremental Exposure" (as defined in Section 3) through the use of derivatives, and the fund's holdings in collective investment schemes are also included. The exposure is calculated in accordance with the methodologies expressly set out in the UK AIFM Regime.

If a fund were to have 100% in collective investment schemes, in accordance with the UK AIFM Regime such fund's leverage would be expressed as follows:

- using the commitment methodology, a ratio of 1:1, where 1 represents this fund's exposure to collective investment schemes; and
- using the gross methodology, a ratio of 1:1, where 1 represents this fund's exposure to collective investment schemes.

In this example, although the fund is not leveraged (referred to as "Incremental Exposure", see Section 3 for further details), the leverage ratios are above zero due to the exposure calculation being performed in accordance with the methodologies expressly set out in the UK AIFM Regime.

## SECTION 5 – VALUATION OF SCHEME PROPERTY

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### General

The valuation of the property of the relevant Sub-fund takes place as at a Valuation Point fixed by the Manager and set out in the main body of this Prospectus under the heading “Pricing of Units”.

The valuation is in the Scheme’s base currency.

The Sub-funds are dual priced and therefore, valuation of the property of the relevant Sub-fund is in two parts, one on a creation basis and one on a cancellation basis.

Under this methodology, calculation of the creation and cancellation prices gives the Manager a permitted range of prices within which to set the price at which Units in a Sub-fund can be bought or sold. The price of a Unit is calculated by reference to the net asset value of the Class and Sub-fund to which it relates.

Prices used are the most recent prices that can reasonably be obtained after the Valuation Point with a view to giving an accurate valuation as at that point.

### What is Included in the Valuation?

All of the Scheme Property is included, subject to adjustments arising as detailed in this Section, as at the Valuation Point.

If the Trustee has been instructed to issue or cancel Units, the Manager will assume (unless the contrary is shown) that:

- the Trustee has done so;
- the Trustee has paid or been paid for them; and
- all consequential action required by this Section has been taken.

If the Trustee has issued or cancelled Units but consequential action is outstanding, the Manager will assume that it has been taken.

If agreements for the unconditional sale or purchase of Scheme Property are in existence

but uncompleted, the Manager will assume completion; and that all consequential action required by their terms has been taken.

Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager their omission will not materially affect the final net asset amount.

The Manager will include any agreement the existence of which is, or could reasonably be expected to be, known to the Manager, assuming that all other persons in the Manager’s employment take all reasonable steps to inform the Manager immediately of the making of any agreement.

## **Tax and Other Adjustments**

The Manager will deduct an estimated amount for anticipated tax liabilities:

On unrealised capital gains (if taxable) where the liabilities have accrued and are payable out of the Scheme Property;

On realised capital gains (if taxable) in respect of previously completed and current accounting periods;

On income where the liabilities have accrued; and

Including any other fiscal charge not covered under this deduction.

The Manager will then deduct:

an estimated amount for any liabilities payable out of the Scheme Property and any tax on it (treating any periodic items as accruing from day to day);

the principal amount of any outstanding borrowings whenever payable;

any accrued but unpaid interest on borrowings;

The Manager will add an estimated amount for accrued claims for repayment of taxation levied:

on capital (including capital gains); or

on income.

The Manager will then add:

any other credit due to be paid into the Scheme Property.

## **Valuation of the Scheme Property for the calculation of the creation price**

When valuing the Scheme Property for the calculation of the creation price:

Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- (a) units or shares in a collective investment scheme:
  - (i) if separate buying (offer) and selling (bid) prices are quoted, at the buying price, less any expected discount plus any dealing costs (as defined below), but where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Scheme, the issue price shall be taken instead of the buying price; or
  - (ii) at a value which, in the opinion of the Manager, is fair and reasonable, in the following circumstances:

- i) if, in the opinion of the Manager, the price obtained is unreliable; or
  - ii) if no recent price exists; or
  - iii) if the most recent price available does not reflect the Manager's best estimate of the value.;
- (b) any other investment:
  - (i) the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, (as defined below)); or
  - (ii) at a value which, in the opinion of the Manager, is fair and reasonable, in the following circumstances:
    - i) if, in the opinion of the Manager, the price obtained is unreliable; or
    - ii) if no recent price exists; or
    - iii) if the most recent price available does not reflect the Manager's best estimate of the value; and
- (c) property other than that described in (a) and (b) above: at a value which, in the opinion of the Manager, is fair and reasonable (plus any dealing costs (as defined below)).

### **Valuation of the Scheme Property for the calculation of the cancellation price**

When valuing the Scheme Property for the calculation of the cancellation price:

Property which is not cash shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- (a) units or shares in a collective investment scheme:
  - (i) if separate buying (offer) and selling (bid) prices are quoted, at the selling price less any dealing costs (as defined below) and any exit or redemption charge payable on the sale of the units or shares taking account of any expected discount (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Scheme, the cancellation price shall be taken instead of the selling price); or
  - (ii) at a value which, in the opinion of the Manager, is fair and reasonable, in the following circumstances:
    - i) if, in the opinion of the Manager, the price obtained is unreliable; or
    - ii) if no recent price exists; or
    - iii) if the most recent price available does not reflect the Manager's best estimate of the value;
- (b) any other investment:

- (i) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs (as defined below)); or
- (ii) at a value which, in the opinion of the Manager, is fair and reasonable, in the following circumstances:
  - i) if, in the opinion of the Manager, the price obtained is unreliable; or
  - ii) if no recent price exists; or
  - iii) if the most recent price available does not reflect the Manager's best estimate of the value; and
- (c) property other than that described in (a) and (b) above: at a value which, in the opinion of the Manager is fair and reasonable (less any dealing costs (as defined below)).

Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

For the purposes of this Section 5 "dealing costs" means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question (but excluding any preliminary charge payable by the Scheme on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction.

### **Fair Value Pricing**

Where the Manager has reasonable grounds to believe that:

- (a) no reliable price for the property in question exists; or
- (b) such price, if it does exist, does not reflect the Manager's best estimate of the value of such property,

it may value the Scheme Property or any part of Scheme Property at a price which, in its opinion, reflects a fair and reasonable price for that property ("fair value pricing").

The Manager is permitted to use fair value pricing in specific circumstances and pursuant to processes and methodologies that it must have notified to the Depositary. Examples of the circumstances in which the Manager might consider using fair value pricing where a Sub-fund's Valuation Point is set during the time when markets in which its portfolio is invested are closed for trading include:

- (a) market movements above a pre-set trigger level in other correlated open markets;
- (b) war, natural disaster, terrorism;
- (c) government actions or political instability;
- (d) currency realignment or devaluation;
- (e) changes in interest rates;

- (f) corporate activity;
- (g) credit default or distress; or
- (h) litigation.

Even if a Sub-fund's Valuation Point is set during the time other markets are open for trading, other scenarios might include:

- (a) failure of a pricing provider;
- (b) closure or failure of a market;
- (c) volatile or "fast" markets;
- (d) markets closed over national holidays;
- (e) stale or unreliable prices;
- (f) listings suspensions or de-listings.

Utilising fair value pricing may assist the Manager in fulfilling its responsibilities in connection with the proper valuation of assets and calculation of sale and redemption prices on the basis explained in this section.

## **SECTION 6 – ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS**

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With the exception of cash retained for liquidity purposes, the Sub-funds of the Scheme invest solely in the Aviva PAIF, they do not invest directly on any eligible securities or derivatives markets.

The Aviva PAIF invests in immovable property and also through eligible securities and derivatives markets, please refer to the prospectus of the Aviva PAIF for further information.

## SECTION 7 – OTHER COLLECTIVE INVESTMENT SCHEMES MANAGED BY THE MANAGER

The Manager is also the Authorised Corporate Director of the following ICVCs which are authorised by the Financial Conduct Authority as "umbrella" companies, in that the companies issue shares linked to different funds which have been established.

ICVC	Funds Available
Aviva Investors Investment Funds ICVC (UK UCITS)	<p>Aviva Investors Distribution Fund  Aviva Investors UK Listed Equity Unconstrained Fund  Aviva Investors UK Listed Small and Mid Cap Fund  Aviva Investors UK Listed Equity Income Fund  Aviva Investors UK Smaller Companies Fund  Aviva Investors Global Equity Income Fund  Aviva Investors Continental European Equity Fund  Aviva Investors Managed High Income Fund  Aviva Investors Higher Income Plus Fund  Aviva Investors Corporate Bond Fund  Aviva Investors Monthly Income Plus Fund  Aviva Investors UK Index Tracking Fund  Aviva Investors International Index Tracking Fund  Aviva Investors Strategic Bond Fund  Aviva Investors Multi-Strategy Target Return Fund  Aviva Investors Global Equity Endurance Fund  Aviva Investors Climate Transition Global Equity Fund</p> <p>Please note the following Funds are in the process of being terminated and are no longer available for investment:</p> <p>Aviva Investors High Yield Bond Fund  Aviva Investors Global Emerging Markets Equity Unconstrained Fund</p>
Aviva Investors Select Funds ICVC (UK UCITS)	<p>Aviva Investors US Equity Income Fund  Aviva Investors US Equity Income Fund II</p>
Aviva Investors Manager of Manager ICVC (ICVC 2) (UK UCITS)	<p>Aviva Investors Japan Equity Growth Fund</p> <p>Please note the following Funds are in the process of being terminated and are no longer available for investment:</p> <p>Aviva Investors UK Listed Equity High Alpha Fund  Aviva Investors US Equity MoM 1 Fund  Aviva Investors Apac Equity MoM 1 Fund</p>
Aviva Investors Portfolio Funds ICVC (Non-UCITS Retail Scheme and UK AIF)	<p>Aviva Investors Multi-Manager 20-60% Shares Fund  Aviva Investors Multi-Manager 40-85% Shares Fund  Aviva Investors Multi-Manager Flexible Fund  Aviva Investors Multi-asset Plus Fund I  Aviva Investors Multi-asset Plus Fund II  Aviva Investors Multi-asset Plus Fund III  Aviva Investors Multi-asset Plus Fund IV  Aviva Investors Multi-asset Plus Fund V</p>

	<p> Aviva Investors Multi-asset Core Fund I  Aviva Investors Multi-asset Core Fund II  Aviva Investors Multi-asset Core Fund III  Aviva Investors Multi-asset Core Fund IV  Aviva Investors Multi-asset Core Fund V  Aviva Investors UK Listed Equity Fund  Aviva Investors Sustainable Stewardship UK Equity Feeder Fund  Aviva Investors Sustainable Stewardship UK Equity Income Feeder Fund  Aviva Investors Sustainable Stewardship International Equity Feeder Fund  Aviva Investors Sustainable Stewardship Fixed Interest Feeder Fund  Aviva Investors Multi-Asset Sustainable Stewardship Fund I  Aviva Investors Multi-Asset Sustainable Stewardship Fund II  Aviva Investors Multi-Asset Sustainable Stewardship Fund III  Aviva Investors Multi-Asset Sustainable Stewardship Fund IV </p>
Aviva Investors Funds ICVC (UK UCITS)	<p>Please note that the following Funds are in the process of being terminated and are no longer available for Investment:</p> <p> The Global Balanced Income Fund  The Global Cautious Income Fund  Aviva Investors Multi-Strategy Target Income Fund </p>
Aviva Investors Managed Funds ICVC (Non-UCITS Retail Scheme and UK AIF)	<p>All sub-funds in this ICVC have been terminated and this ICVC is no longer available for investment.</p>
Aviva Investors Property Funds ICVC (Non-UCITS Retail Scheme and UK AIF)	<p>Please note that the following Funds are in the process of being terminated and are no longer available for Investment:</p> <p> Aviva Investors European Property Fund  Aviva Investors UK Property Fund </p>

The Manager is also the Authorised Contractual Scheme Manager and UK AIFM of the of the following Authorised Contractual Schemes ("ACS"), which are authorised by the Financial Conduct Authority as "umbrella" schemes, in that the schemes issue units linked to different sub-funds that have been established:

ACS	Sub-Funds Available
Aviva Investors Funds ACS (Non-UCITS Retail Scheme and UK AIF)	AI Sustainable Stewardship UK Equity Fund AI Sustainable Stewardship International Equity Fund AI Sustainable Stewardship UK Equity Income Fund AI Sustainable Stewardship Fixed Interest Fund AI UK Listed Equity Fund AI UK Listed Equity Ex Tobacco Fund AI UK Listed Equity Income Fund AI Europe Equity Ex UK Fund AI US Large Cap Equity Fund AI North American Equity Fund AI Japan Equity Fund AI Asia Pacific Ex Japan Fund AI Global Equity Fund AI Global Equity Growth Fund AI Strategic Global Equity Fund AI Sterling Corporate Bond Fund AI Index Linked Gilt Fund AI Sterling Gilt Fund AI Pre-Annuity Fixed Interest Fund AI Money Market VNAV Fund AI Balanced Pension Fund AI Balanced Life Fund AI Cautious Pension Fund AI Distribution Life Fund AI UK Equity Alpha Fund AI UK Equity Dividend Fund AI Continental European Equity Alpha Fund (please note that this fund is in the process of being terminated and is no longer available for new investment) AI Japan Equity Alpha Fund (please note that this fund is in the process of being terminated and is no longer available for new investment) Aviva Investors Climate Transitions Real Assets Fund Aviva Investors UK Equity Core Fund Aviva Investors Europe Equity Ex UK Core Fund Aviva Investors Japan Equity Core Fund Aviva Investors Pacific Equity Ex Japan Core Fund Aviva Investors North American Equity Core Fund Aviva Investors Emerging Market Equity Core Fund
Aviva Investors Passive Funds ACS (Non-UCITS Retail Scheme and UK AIF)	AI UK Equity Index (Custom Screened) Fund AI US Equity Index (Custom Screened) Fund AI Developed European Ex UK Equity Index (Custom Screened) Fund AI Japanese Equity Index (Custom Screened) Fund AI Developed Asia Pacific Ex Japan Equity Index (Custom Screened) Fund AI Developed World Ex UK Equity Index Fund AI UK Gilts Over 15 Years Index Fund AI UK Gilts All Stocks Index Fund AI Non-Gilt Bond Over 15 Years Index Fund

	AI Index-Linked Gilts Over 5 Years Index Fund AI Non-Gilt Bond All Stocks Index Fund AI Developed Overseas Government Bond (Ex UK) Index Fund AI 60:40 Global Equity Index (Custom Screened) Fund AI 50:50 Global Equity Index (Custom Screened) Fund AI 40:60 Global Equity Index Fund AI Multi-Asset (40-85% Shares) Index Fund AI 30:70 Global Equity (Currency Hedged) Index (Custom Screened) Fund AI Continental European Equity Index (Custom Screened) Fund AI UK Equity (Ex Aviva, Investment Trusts) Index (Custom Screened) Fund AI Pacific Ex Japan Equity Index Fund AI North American Equity Index (Custom Screened) Fund AI Non-Gilt Bond Up to 5 Years Index Fund AI UK Gilts Up to 5 Years Index Fund
Aviva Investors LTAF ACS (Long-Term Asset Fund and UK AIF)	Aviva Investors Real Estate Active LTAF

## SECTION 8 – PAST PERFORMANCE

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Please note that the Aviva Investors UK Property Fund launched on 18 August 2017 when a scheme of arrangement took place between the Aviva Investors Property Trust (the Unit Trust) and the Aviva Investors UK Property Fund, under which assets and investors were transferred from the Unit Trust to the Aviva Investors UK Property Fund. The Sub-funds also launched on the 18 August 2017, and with the exception of operational cash balances retained for liquidity purposes, are solely invested in shares of the Aviva Investors UK Property Fund. Please note that the Aviva Investors UK Property Fund, and therefore the Sub-Funds of the Scheme investing in it, are in the process of being terminated and are no longer available for new investment. On this basis, the past performance of the Sub-funds, as shown in the tables below, has been prepared as follows:

- Past performance for the calendar year 2017, in which the scheme of arrangement took place, reflects the combined performance of the Unit Trust and the Aviva Investors UK Property Fund for that period.
- Past performance for the calendar year 2018 onwards, reflects the direct performance of the Sub-funds, rather than the performance of their primary underlying investment.
- The performance of the benchmark (the Investment Association UK Direct Property Sector), as referred to in the investment policies of the Aviva Investors UK Property Fund and the Sub-funds, is also shown below across all performance periods.

The performance figures below may not be the most up to date available. Please telephone 0800 051 2003 for the most recent information. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see the paragraph “Telephone Recording” above for further information.

Source: Aviva Investors/Lipper, a Thomson Reuters company.

All class performance figures are on the basis of the published price at which Units could be sold, net income reinvested, net of ongoing charges and fees, in Sterling and net of tax payable by the Sub-fund, as at 31 December 2022. The figures do not include the effect of the Entry Charge and any Exit Charge.

**Aviva Investors UK Property Feeder INC Fund and Aviva Investors UK Property Feeder ACC Fund (please note that these Sub-funds are in the process of being terminated and are no longer available for new investment) – past performance**

**Class 1 - Yearly performance figures over five years**

	31/12/2021 to 31/12/2022	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018
Class 1  Income Shares  % change	1.84	0.4	-13.5	-7.7	3.4
<i>Benchmark - Investment Association UK Direct Property Sector</i>	-7.83	7.4	-5.3	-0.5	3.2
Class 1  Accumulation Shares  % change	2.02	0.5	-13.6	-7.8	3.4
<i>Benchmark - Investment Association UK Direct Property Sector</i>	-7.83	7.4	-5.3	-0.5	3.2

**Class 2 - Yearly performance figures over five years**

	31/12/2021 to 31/12/2022	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018
Class 2  Income Shares  % change	2.01	0.7	-13.3	-7.6	3.7
<i>Benchmark - Investment Association UK Direct Property Sector</i>	-7.83	7.4	-5.3	-0.5	3.2
Class 2  Accumulation Shares  % change	2.24	0.7	-13.4	-7.6	3.7
<i>Benchmark - Investment Association UK Direct Property Sector</i>	-7.83	7.4	-5.3	-0.5	3.2

### Class 5 - Yearly performance figures over five years

	31/12/2021 to 31/12/2022	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018
Class 5  Income Shares  % change	-1.11	1.6	-16.2	-8.7	-1.0
<i>Benchmark - Investment Association UK Direct Property Sector</i>	-7.83	7.4	-5.3	-0.5	3.2

### Class 7 - Yearly performance figures over five years

	31/12/2021 to 31/12/2022	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018
Class 7  Income Shares*  % change	-1.11	2.6	-17	-4.9	N/A
<i>Benchmark - Investment Association UK Direct</i>	-7.83	7.4	-5.3	-0.5	N/A

<i>Property Sector</i>					
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\* Please note that as these Sub-funds, or Classes, are recently launched only limited past performance data is currently available.

## SECTION 9 – REMUNERATION POLICY

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### Remuneration Policy

Aviva Investors has adopted a remuneration policy which applies to employees in Aviva Investors. The remuneration policy provides market competitive remuneration, thereby protecting against the risk of not having people with the talent needed to maintain and deliver on the strategy, and incentivises relevant staff to achieve both the annual business plan and the longer-term strategic objectives of the Group as well as promoting sound and effective risk management consistent with the risk profile of the funds. Significant levels of deferral aid retention and align the interests of key personnel. As well as rewarding the achievement of objectives, variable remuneration can be zero if performance thresholds are not met.

The Aviva Investors Remuneration Committee has been established to support and advise on the overall remuneration policy for Aviva Investors and the employment, remuneration, reward and benefits terms for Aviva Investors' senior management and material employees and to review and make recommendations on remuneration matters.

Up to date details of the 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 Manager's website at [www.avivainvestors.com/en-gb/capabilities/regulatory/](http://www.avivainvestors.com/en-gb/capabilities/regulatory/). A paper copy of the information available from the Manager's website in relation to remuneration is also available free of charge on request from the Manager.