



Aviva Investors Property Trust (“the Trust”) Temporary suspension of dealing

Questions and Answers

We have temporarily suspended dealing in the Aviva Investors Property Trust which means we cannot act on any instructions to buy, sell, transfer or switch units in the Trust until further notice.

If you bought units in the Trust through a provider other than Aviva Investors UK Fund Services Limited or Aviva Investors UK Funds Limited please contact your provider directly so they can confirm their arrangements for processing requests during the suspension period.

We’re here to help

Whilst we’ve taken this action to safeguard the interests of our investors, we appreciate this will cause concern so we’ve answered some of the questions you may have here.

Please don’t hesitate to contact us if you want to discuss any of these points or have any other questions; we’ll be pleased to help. You can call us free on 0800 051 2003*

We’re committed to keeping you informed, so we’ve set up a dedicated website at <https://uk.avivainvestors.com/gb/en/individual/aip-suspension.html>

* Calls to this number may be recorded for training and monitoring purposes. Calls are free from UK landlines and mobiles.

Q. What is the situation with the Aviva Investors Property Trust?

A. The Aviva Investors Property Trust is a large and diverse UK commercial property fund – it owns a range of properties including offices, high street shops, shopping centres, out-of-town retail parks, distribution warehouses and leisure facilities. It can also hold some property company shares and cash.

Over recent months we experienced higher than usual volumes of requests to sell units in the Trust, and this coupled with challenging market conditions in light of investor sentiment regarding the EU referendum, reduced the amount of cash held by the Trust.

Throughout this time we continuously monitored the Trust with the aim of protecting the best interests of all our investors and, through a selected programme of sales of assets, we had been able to keep the fund open for dealing for some time. However we have now temporarily suspended dealing in the Trust.

The decision was made with the agreement of the Trustee before the valuation point at 12 noon on 5th July. As the Trust operates on a forward pricing basis, this means that any instructions received after the valuation point at 12 noon on 4 July 2016 will be subject to the suspension.

This temporary suspension is in accordance with the terms set out in the Trust’s Prospectus and the rules of the Financial Conduct Authority and means that we cannot act on any instructions to buy, sell, transfer or switch units in the Trust, until further notice.

The suspension has no impact on the security of investments in the Trust. The Trust will, as ever, continue to be managed with the aim of delivering the best possible returns to investors. We will continue to value the Trust on a daily basis and the Trust will continue to make its income payments but all dealing is suspended.

Q. Why have you made the decision to suspend dealing in the Trust?

A. A range of factors, including investors reducing their overall exposure to property, and uncertainty around the EU referendum, resulted in a substantial increase in requests to sell units in the Trust.

As it takes considerable time to sell properties we had to suspend dealing until the amount of cash held in the Trust increases.

Temporarily suspending dealing in the Trust enables us to manage this situation in a fairer and more controlled way. By taking a little longer we hope to sell properties at more competitive prices so that we can act in the best interests of *all* investors.

Q. Who made the decision?

A. Aviva Investors UK Fund Services Limited as the Trust Manager has made the decision in agreement with Citibank Europe plc, UK Branch, the Depositary and Trustee of the Aviva Investors Property Trust.

In addition, the Financial Conduct Authority (FCA) has been advised and we continue to keep them informed.

Q. Could you have done something else to make sure the Trust stayed open?

A. We have been taking action to increase the amount of cash available in the Trust, including selling properties, but this takes a considerable amount of time to complete.

In the meantime, uncertainty around the EU referendum has resulted in a substantial increase in requests to sell units in the Trust and in view of this we took the decision to suspend dealing to enable us to manage the situation in a fair manner, and in the best interests of all investors.

Q. Does the investment remain ISA eligible?

A. Yes, investments will remain ISA eligible regardless of the period of suspension.

Q. How does this affect my investments in other funds managed by Aviva Investors UK Fund Services Limited?

A. Your ability to instruct deals in respect of any investments you may have in other Aviva Investors UK Fund Services Limited funds is unaffected. It has been necessary to suspend dealing in the Trust to enable us to manage the sale of commercial properties in a fairer manner, in order to meet the increased number of redemption requests that we have received in respect of the Trust. The sale of these property assets can take a considerable amount of time.

Other funds managed by AIUKFSL invest in the Trust, including the Multi-Asset and Multi-Manager Fund ranges. When the Trust suspended, less than 4% of these funds were exposed to the Property Trust, and other assets within the Multi-Asset and Multi-Manager Funds are highly liquid.

This means it is unlikely that these funds will also have to suspend as a direct result of the action we have taken in respect of the Aviva Investors Property Trust.

Future prospects

Q. For how long is the Aviva Investors Property Trust likely to be suspended?

A. The Trust is suspended until further notice. It is our intention to re-open the Trust for dealing as soon as we can. At the present time we are unable to say when the suspension of dealing in the Trust will be lifted as the sale of commercial properties, which is required to increase the amount of cash held by the Trust, can take considerable time.

In order to lift the suspension we need to ensure that we can meet any requests to sell, buy, switch or transfer units which have been held by us during the suspension period. We are committed to ensuring the Trust has a sustainable liquidity position before we allow dealing to resume in order to protect the interests of all investors.

Property sales may be more difficult to execute in the current environment due to market uncertainty. In disposing of properties, we need to ensure we act in the best interests of all investors.

The suspension is therefore likely to be in place for a period of *at least six to eight months* from the date of suspension. We will continue to monitor liquidity on a daily basis and are in regular contact with the Trustee and Depositary, Citibank Europe plc, UK Branch, who is also monitoring the situation. We will, together with Citibank, agree the appropriate time to re-open the Trust. We will confirm when the suspension is lifted on the Aviva Investors website and by writing to investors.

Q. What does this mean for your plans to convert the Trust into a Property Authorised Investment Fund (PAIF)?

A. It is still our intention to convert the Trust into a PAIF, however, as the Trust is suspended from dealing until further notice, we are unable to proceed with our plans to convert the Trust into a PAIF with effect from 15 July 2016. This means that your investment will remain invested within the Trust until the suspension is lifted. At the present time we are unable to say when the suspension of the Trust will be lifted and dealing can recommence, however once it does, we will write to you to confirm our plans in relation to the conversion to a PAIF.

Q. What is the future outlook for the Trust?

A. We expect the strategic changes made to the portfolio in recent years will help the fund weather the headwinds facing the UK real estate market. Importantly, the Trust's overall positioning has reflected our desire to reduce risk in the portfolio as we have moved towards the end of the current property market cycle.

The portfolio has been upgraded in recent years by selling older assets in peripheral locations and reinvesting the proceeds in modern, well-located properties with good fundamentals in markets with an imbalance between available supply and occupational demand.

The execution of asset management initiatives and broader management of the portfolio will be unaffected by the suspension. We will continue to manage the portfolio to maximise value from the Trust and to deliver performance to our investors. We have a number of initiatives that we expect to be beneficial to performance during the second half of 2016 and into 2017 and the asset management team have a strong focus on these.

The planned sales to raise liquidity are in accordance with the Trust's strategy and will focus on: assets where we have completed asset management initiative; properties that are considered to be at the end of their growth cycle; and those where there are opportunities to sell to purchasers who may pay premium prices.

Valuations

Q. Will the Trust continue to be valued during the period of suspension?

A. Yes, we will continue valuing the Trust and calculating a daily price which will be published at <https://uk.avivainvestors.com/gb/en/individual/fund-centre.html>

Q. Will you be valuing the underlying properties on a more regular basis given the market volatility?

A. The real property held by the Aviva Investors Property Trust is valued by Knight Frank, who has been appointed as the Standing Independent Valuer. This valuation is normally updated every month and reflected in the valuation of the Trust. Having considered the potential market impact as a result of the decision to leave the EU, we have decided it is appropriate to increase the frequency of these valuations to ensure the unit price of the fund reflects the most up to date information available.

The property will continue to be valued in accordance with the RICS valuation standards. We have advised the Financial Conduct Authority of our position, and continue to keep the valuation under constant review in conjunction with both the valuer, and the Depositary.

New investment

Q. During the period of suspension are investors able to buy units in the Trust?

A. Unfortunately, investors cannot buy units in the Trust while dealing is suspended.

If a request to buy units in the Trust is received, this will be returned to the investor advising them of the temporary suspension in dealing. We believe this to be the most appropriate course of action as it allows investors the opportunity to consider their investment choice. If the investor would still like to invest in the Trust there will then be the option for the request to be returned to us for it to be invested at the first valuation point after the Trust re-opens. If money is sent back to us then it will be held in a non-interest bearing account during the suspension period.

Please note that the investment amount will be automatically invested at the price applicable when the Trust re-opens which could be different to the price applicable when the request is received by us.

If you request to buy shares in other Aviva Investors funds as well, we will return your instruction and payment to you to be amended.

Accessing my money

Q. What happens if an investor would like to sell their units in the Aviva Investors Property Trust whilst dealing is suspended?

A. We will hold all requests to sell units until the first valuation point following the decision to re-open the Trust.

Units will be automatically sold at the price applicable when the Trust re-opens which could be different to the price applicable when the request to sell units is received by us.

You may withdraw the request at any point during the period of suspension by informing us in writing or calling us. Please see the 'contact us' section.

If your instructions to sell also relate to your investment in other Aviva Investors funds, that element will be processed as normal.

Q. What price will be used if a request to sell units is submitted during the Trust's suspension?

A. All requests to sell units received during the suspension period will automatically be sold at the price applicable when the Trust re-opens which could be different to the price applicable when the request to sell is received by us.

Q. If I invested in the last 30 days is it possible to exercise my right to cancel?

A. New customers in the Aviva Investors Property Trust may have the right to cancel their investment within 30 days of receiving their contract note. Units will be sold at the price applicable on the date the valid instruction to cancel is received by us.

Q. If an investor dies, will you pay the executor/legal personal representative?

A. In these special circumstances, we will send the executor or legal personal representative the value of the investment when we are in receipt of all information we need to make the payment.

Q. Is my money safe?

A. Yes. The Aviva Investors Property Trust is a collective investment scheme in which investors pool their money with others and the fund manager invests that money on their behalf. A Trustee and Depositary who is independent of Aviva Investors holds the assets on behalf of the investors. The fund will continue to be actively managed as it would under normal market conditions.

Income payments

Q. Will investors continue to receive income payments from the Trust?

A. Yes. If the income payments from your investment are currently paid to you, you will continue to receive them as normal.

Q. Will the level of income payment be affected?

A. The level of the income paid by the Trust depends on the investment income the Trust generates, primarily from rents, so it is not directly affected by the suspension in dealing.

Q. What happens if I have chosen to reinvest income?

A. If you have opted to reinvest your income, we will pay this to you by cheque or direct credit during the suspension period because it is not possible to buy further units until dealing in the Trust resumes. If you wish to pay these amounts back into your investment you will need to send us a cheque for the payment(s) once the suspension is lifted.

Based on current ISA rules, if you have invested in the Trust through an ISA then any payments returned to us for investment will count towards your ISA allowance for the tax year in which they are received by us.

Units will be bought at the price applicable when the Trust resumes dealing.

Regular payments

Q. Does the suspension of dealing impact investors that make regular payments into the Aviva Investors Property Trust?

A. Because units in the Trust cannot be bought during the suspension period, your direct debit payments will cease. We will contact you before any direct debit collections recommence.

Keeping you informed

Q. How will you inform investors and advisers about the temporary suspension of the Aviva Investors Property Trust?

A. All investors and advisers on the Aviva Investors Property Trust register are being written to individually.

Q. How will investors and advisers keep up to date with the situation of the Trust?

A. We have set up a dedicated website in order to keep investors informed on what is happening. See contact details below.

Contact us

We are committed to keeping you informed. You can find up-to-date information about the temporary suspension of dealing in the Aviva Investors Property Trust by

Visiting <https://uk.avivainvestors.com/gb/en/individual/aip-suspension.html>

Calling us free on 0800 051 2003*

Emailing Enquiries.uk@avivainvestors.com

Writing to us at
Aviva Investors Administration Office PO Box 10410 Chelmsford CM99 2AY

Alternatively **contact your Financial Adviser** who will be able to discuss your individual investment needs.

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