

# Fund Profile

## Aviva Investors Dividend Builder

December 2011



### Investment objective

The fund's primary objective is to regularly deliver higher levels of dividend income on a tax effective basis, relative to the S&P/ASX 200 Industrials Accumulation Index. The fund's other objective is to achieve moderate capital growth in a tax efficient manner.

### Fund commentary

The Aviva Investors Dividend Builder Fund delivered a net return of 1.2% for the month of December, outperforming the benchmark S&P/ASX 200 Industrials Accumulation Index return by 1.2%. The best performing stocks during the month, relative to the Benchmark, were Tatts Group (0.36%) and Telstra Corporation (0.31%). Stocks detracting from the fund's performance, relative to the Benchmark, were Westpac Banking Corporation (-0.12%) and Commonwealth Bank (-0.11%).

The main change to the Dividend Builder portfolio this month involved selling out of Stockland Group and replacing it with Charter Hall Retail REIT.

Stockland is a large, diversified REIT that owns a good quality commercial property portfolio and a residential land development business, which includes retirement villages. We took the decision to sell this stock from the portfolio primarily because we are concerned about the performance of the residential development business during a time of weakness in many parts of the Australian economy. In particular, consumer spending and confidence have fallen dramatically. This has been clearly seen in the recent major profit downgrades of retail and residential related stocks including JB Hi-Fi, Kathmandu and Peet. In addition, the stock has performed extremely well since we purchased it for the portfolio and therefore it no longer offers as much value as was the case when it was added to the portfolio.

Charter Hall Retail REIT (CQR) was added to the Dividend Builder portfolio as a replacement for Stockland. CQR owns a portfolio of small to mid sized neighbourhood and community type retail centres. The properties are primarily located in Australia, with a small amount of non-core assets in the United States and Europe that will be sold over time. CQR's retail centres are expected to be more defensive than the larger retail shopping centres owned by some of the other REITs. This means that the major tenants are typically non-discretionary retailers such as supermarkets, as opposed to discretionary specialty retailers selling fashion and apparel goods. We purchased CQR for the portfolio on an expected yield of around 8%, which we consider to be a very attractive level.

### Fund facts

<b>Inception date:</b>	6 September 2005
<b>Fund size at 31 December 2011:</b>	\$18.4m
<b>Benchmark:</b>	S&P/ASX 200 Industrials Accumulation Index <sup>1</sup>
<b>Investment timeframe:</b>	At least 5 years
<b>Relative risk:</b>	High
<b>Relative return:</b>	High

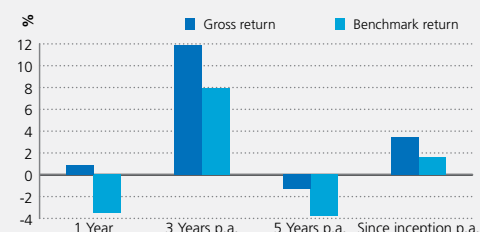
<sup>1</sup> On 1 February 2006, the benchmark changed from S&P/ASX 200 Accumulation Index to S&P/ASX 200 All Industrials Accumulation Index. The benchmark return is calculated using the S&P/ASX200 All Industrials Accumulation Index since inception date.

### Investment returns Performance to 31 December 2011

Period	Gross return %	Bmk return %	Excess return %	Net return <sup>1</sup> %
1 month	1.2	0.0	1.2	1.2
3 months	6.3	4.1	2.2	6.1
1 year	0.9	-3.5	4.4	0.3
3 years p.a.	11.9	7.9	4.0	11.2
5 years p.a.	-1.3	-3.8	2.5	-1.9
Since inception p.a.	3.4	1.6	1.8	2.8

<sup>1</sup> Investment returns are based on exit to exit prices of Professional Selection units, are net of management fees and assume reinvestment of all distributions. Past performance is not a guide to or indication of future performance.

### Gross return vs Benchmark return



### Top 10 share holdings at 31 December 2011 (alphabetical order)

- AMP
- ANZ Banking Group
- APA Group
- Commonwealth Bank
- Dexus Property Group
- National Australia Bank
- Tatts Group
- Telstra Corporation
- Wesfarmers
- Westpac Banking Corporation

## Investor profile

Dividend Builder is designed for investors seeking a stable, tax effective income stream through participating in the Australian sharemarket and investing in companies providing dividend growth. It may also act as an income stabiliser in investment portfolios, especially during shifting or uncertain markets.

## Investment details

<b>Minimum investment:</b>	\$20,000
<b>Minimum additional investment:</b>	\$5,000
<b>Distribution:</b>	Quarterly
<b>Entry fee:</b>	Nil
<b>Exit fee:</b>	Nil
<b>Management fee:</b>	0.60% p.a.

## Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 Dec 11
<b>Australian shares<sup>3</sup></b>	90%	100%	100%	98%
<b>Cash/short-term securities</b>	0%	0%	10%	2%

## Franking levels

Year end	
30 June 2011	90.94%
30 June 2010	83.43%
30 June 2009	90.25%
30 June 2008	78.14%
30 June 2007	43.78%

## About Aviva Investors

Aviva Investors specialises in the active management of Australian equities and listed property. We are dedicated to providing market leading investment solutions to both institutional and retail clients.

Since our inception in 1994, Aviva Investors has developed an excellent reputation as a leading specialist in the active management of Australian equities and listed property. Our dynamic culture, coupled with the quality of our investment team, allows us to deliver a compelling range of investment solutions. Aviva Investors is wholly owned by nabinvest, the direct investment arm of NAB Wealth Management.

**For further information please contact our Client Services Team - Toll Free: 1800 671 849**  
**investorservices.au@avivainvestors.com.au - www.avivainvestors.com.au**

The above information is of a general nature and has been prepared without taking account of your individual investment objectives, financial situation or particular investment needs. It is not intended as financial advice to retail clients. Before making an investment decision, you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. We recommend you consult with your financial adviser, who can help you determine how best to achieve your financial goals and whether investing in a fund is appropriate for you. Investment in the Aviva Investors funds will only be made upon receipt of a completed application form from the current PDS, a copy of which can be obtained from Aviva Investors. Aviva Investors Dividend Builder ARSN 115 694 794.

Aviva Investors Australia Limited ABN 85 066 081 114. AFS Licence No. 234483. Level 28 Freshwater Place, 2 Southbank Boulevard, Southbank 3006 GPO Box 2007, Melbourne VIC 3001 Telephone: (03) 9220 0300 Facsimile: (03) 9220 0333 Email: investorservices.au@avivainvestors.com.au Website: www.avivainvestors.com.au © 2011 Morningstar, Inc. All rights reserved. The data and content contained herein are not guaranteed to be accurate, complete or timely. Neither Morningstar, nor its affiliates nor their content providers will have any liability for use or distribution of any of this information. To the extent that any of the content above constitutes advice, it is general advice that has been prepared by Morningstar Australasia Pty Ltd ABN: 95 090 665 544, AFSL: 240892 (a subsidiary of Morningstar, Inc.), without reference to your objectives, financial situation or needs. Before acting on any advice, you should consider the appropriateness of the advice and we recommend you obtain financial, legal and taxation advice before making any financial investment decision. If applicable investors should obtain the relevant product disclosure statement and consider it before making any decision to invest. Please refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/fsg.pdf.

## Distribution history<sup>1</sup>

Quarter end	Cents per unit
31 December 2011	2.13
30 September 2011	1.50
30 June 2011	1.15
31 March 2011	1.88
31 December 2010	0.90
30 September 2010	0.87
30 June 2010	0.90
31 March 2010	0.58
31 December 2009	1.28
30 September 2009	0.91
30 June 2009	1.59
31 March 2009	1.82
31 December 2008	2.22
30 September 2008	0.81
30 June 2008	0.74

<sup>1</sup> Distribution rates have been rounded to two decimal places. As a result, the actual payment rate may differ slightly to the rates listed above.

## Distribution Yield as at 31 December 2011

	Fund <sup>4</sup>	Index <sup>5</sup>
<b>1 year</b>	7.90%	5.65%
<b>3 years p.a.</b>	5.89%	5.11%

<sup>4</sup> Calculated as distributions paid divided by average monthly fund net asset value.

<sup>5</sup> Calculated as dividends paid by the S&P/ASX 200 Industrials Accumulation Index divided by its average monthly market capitalisation.



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