

Fund Profile

Aviva Investors Australian Resources Fund

December 2011



Investment objective

The fund's objective is to outperform the S&P/ASX 300 Resources Accumulation Index by 2.5% over a rolling five year period by investing in a diversified portfolio of resource shares listed on the Australian Securities Exchange.

Fund commentary

The Aviva Investors Australian Resources Fund returned -4.2% (net of fees) for the month of December, outperforming its benchmark index by 0.5%. The best performing stocks during the month, relative to the Benchmark, were Iluka Resources (0.10%) and Marengo Mining (0.09%). Stocks detracting from the fund's performance, relative to the Benchmark, were Paladin Energy (-0.07%) and Mirabela Nickel (-0.06%).

The Australian sharemarket weakened in December despite the RBA delivering further monetary policy easing. The market was affected by fears of a more significant slowdown in China that weakened the resource sector (-4.5%). The energy sector also underperformed, dragged down by weak performances from Woodside Petroleum (-6.6%) and Santos (-6.4%).

Australian economic data remained mixed. Q3 GDP rose a solid 1.0% which was stronger than expected and the previous quarter was revised up to show growth of 1.4% (previously +1.2%). Over the past year, the economy has grown 2.5% with Q3 reflecting some rebound from the flood induced weakness earlier in the year. Household consumption rose 1.2% in the quarter to be up 3.8% over the year. Business investment was also strong, with machinery and equipment investment up 6.4% in the quarter and 20.9% over the year.

The RBA eased monetary policy once more, lowering the official cash rate by 0.25% to 4.25%. The statement accompanying the decision suggests that the improved inflation outlook is the main factor that has enabled the RBA to lower the cash rate modestly in response to the slowdown in Europe and sluggish local growth data.

In corporate news, merger and acquisition activity continued to affect the resource sector with the announcement of a merger between Aston Resources and Whitehaven Coal, and Yanzhou Coal Mining of China making a bid for Gloucester Coal.

Fund facts

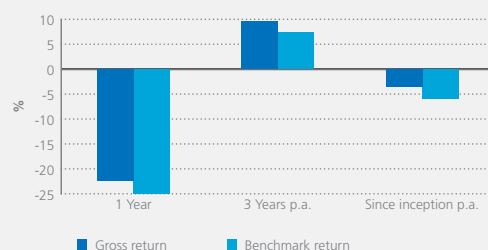
Inception date:	3 March 2008
Fund size at 31 December 2011:	\$5.1m
Benchmark:	S&P/ASX 300 Resources Accumulation Index
Investment timeframe:	At least 5 years
Relative risk:	Very High
Relative return:	High - Very High

Investment returns Performance to 31 December 2011

Period	Gross return %	Bmk return %	Excess return %	Net return % ¹
1 month	-3.9	-4.7	0.8	-4.2
3 months	-2.7	-2.5	-0.2	-2.8
1 year	-22.3	-25.0	2.7	-23.5
3 years p.a.	9.6	7.3	2.3	8.1
5 years p.a.	-	-	-	-
Since inception p.a.	-3.5	-5.9	2.4	-4.8

¹ 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)

- BHP Billiton
- Fortescue Metals Group
- Iluka Resources
- Newcrest Mining
- Oil Search
- Origin Energy
- Rio Tinto
- Santos
- Woodside Petroleum
- WorleyParsons

Investor profile

Investments in the resources sector may be riskier than investments in a broader range of shares, and the fund's returns may be very volatile. The fund may suit investors who can accept higher risk in exchange for the potential opportunity to earn greater returns.

Investment details

Minimum investment:	\$20,000
Minimum additional investment:	\$5,000
Distribution:	Quarterly
Entry fee:	Nil
Exit fee:	Nil
Management fee:	1.05% p.a. ¹
Performance fee:	20% of performance above performance hurdle ²

¹ Excluding performance fee. See page 38 of the current PDS for more information. The PDS is available to download from www.avivainvestors.com.au or by contacting the Client Services team on 1800 671 849.

² Performance hurdle is the benchmark return +2.5%p.a.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 Dec 11
Australian shares	90%	100%	100%	99%
Cash/short-term securities	0%	0%	10%	1%

Franking levels

Year end	
30 June 2011	182.77%
30 June 2010	402.01%
30 June 2009	149.55%

Distribution history¹

Quarter end	Cents per unit
31 December 2011	0.00
30 September 2011	0.33
30 June 2011	0.50
31 March 2011	0.19
31 December 2010	0.10
30 September 2010	0.10
30 June 2010	0.00
31 March 2010	0.00
31 December 2009	0.03
30 September 2009	0.34
30 June 2009	0.25
31 March 2009	0.47
31 December 2008	0.27
30 September 2008	0.25
30 June 2008	0.27

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

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.



Fund Manager of the Year
Australia

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
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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.