

Fund Profile

Aviva Investors Long/Short Equity Fund

July 2010



Fund facts

Inception date:	25 August 2004 ¹
Fund size at 31 July 2010:	\$103.9m
Benchmark:	75% S&P/ASX 200 Accumulation Index and 25% UBS (Australian) Bank Bill Index
Investment timeframe:	At least 5 years
Relative risk:	High
Relative return:	High

¹ This is the inception date of the Portfolio Partners Institutional Long/Short Trust, which is the former name of the Aviva Investors Long/Short Equity Fund. The Aviva Investors Long/Short Equity Fund was also previously known as the Portfolio Partners Long/Short Equity Trust.

Investment details

Minimum investment:	\$20,000
Minimum additional investment:	\$5,000
Distribution:	Quarterly
Entry fee:	Nil
Exit fee:	Nil
Management fee:	1.00% p.a. ²
Performance fee:	15% of performance above performance hurdle ³

² Excluding performance fee. See page 41 of the current PDS for more information. The PDS is available to download from www.avivainvestors.com.au or by contacting the Investor Services Team on 1800 671 849.

³ Performance hurdle is the benchmark return.

Investment returns

Performance to 31 July 2010

Period	Gross return %	Bmk return %	Excess return %	Net return % ⁴
1 month	3.4	3.5	-0.1	3.3
3 months	-3.4	-4.1	0.7	-3.5
1 year	10.8	8.9	1.9	9.8
3 years p.a.	3.8	-2.9	6.7	2.3
5 years p.a.	10.8	6.8	4.0	9.6
Since inception p.a.	14.1	10.2	3.9	13.0

⁴ 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.

Investment objective and strategy

The fund's objective is to significantly outperform its Benchmark over the recommended investment timeframe by investing in a diversified portfolio of Australian shares.

The fund can hold short positions in shares totalling up to 50% of the value of the fund's net assets. The fund can use the proceeds from short selling to make additional investments in other shares up to 50% of the value of the fund's net assets (enhanced long positions) enabling the fund to have a gross market exposure up to a maximum of 200%.

As the fund has a 'blended' Benchmark it has the flexibility to have a lower net market exposure than most other long/short funds.

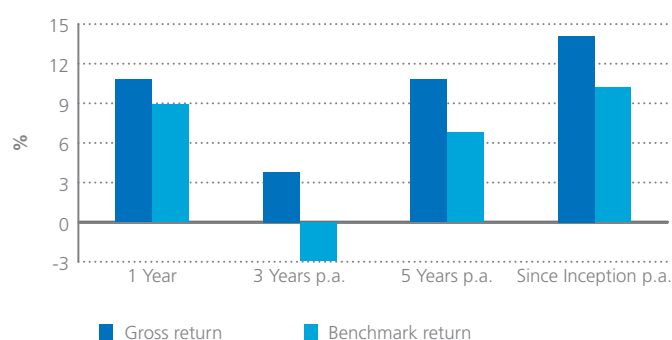
It uses a range of sophisticated investment techniques to provide investors with the opportunity to enhance returns. Techniques such as short selling, enhanced long positions and active trading may be used within the fund, but always within risk-managed parameters.

Investor profile

The fund is actively managed and its returns may be volatile. As such, it may suit investors who are willing to accept higher risk in exchange for the potential opportunity to earn greater returns. Given its flexibility to have a lower net market exposure than most other long/short funds due to its relatively high maximum cash weighting, it is expected that the fund's returns will be less volatile, with less upside and less downside risk.

The assets of the fund are actively traded and returns are taxed on a revenue basis. On this basis, gains made by this fund on its investments and distributed to investors will be revenue rather than capital in nature with no entitlement to the capital gains tax (CGT) discount.

Gross return vs Benchmark return



Investment terms and guidelines

Short selling involves borrowing a share from a prime broker to sell to the market, with an agreement to purchase that share back at a later date. When the fund short sells a share, we anticipate taking advantage of declines in the price of that share by selling the share at one price, and then aiming to buy back that share at a subsequent lower price. Short selling is limited to 50% of the value of the funds net assets.

Enhanced long positions refer to the shares in which the fund holds the largest overweight positions when compared to its Benchmark weighting. Long positions are limited to 150% of the value of the funds net assets. All long and short positions will be managed to provide investors with a gross exposure to the sharemarket of up to 200%, but the overall net exposure will be between 50 - 100%.

Franking levels

Year end	
30 June 2010	83.51%
30 June 2009	0.00%
30 June 2008	8.37%
30 June 2007	15.53%
30 June 2006	17.69%

Distribution history⁵

Quarter end	Cents per unit
30 June 2010	1.26
31 March 2010	0.00
31 December 2009	0.00
30 September 2009	0.00
30 June 2009	0.00
31 March 2009	0.00
31 December 2008	0.00
30 September 2008	0.54
30 June 2008	6.47
31 March 2008	3.02
31 December 2007	4.26
11 October 2007	10.83

⁵ 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 is a global asset management company with over A\$445 billion in funds under management. Launched in September 2008, Aviva Investors unites the asset management capabilities of the international investments and insurance group, Aviva plc.

Aviva Investors in Australia operated as Portfolio Partners from 1994 until September 2008. We specialise in the active management of Australian equities, fixed income and listed property, and have A\$7.9 billion in funds under management. Aviva Investors prides itself on providing specialist investment management services to meet our clients' needs.

For further information please contact our Client Services Team - Toll Free: 1800 671 849
investorservices.au@avivainvestors.com - 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 Long/Short Equity Fund ARSN 109 996 116.

Aviva Investors Australia Limited ABN 85 066 081 114. AFS Licence No 234483. Level 28 Freshwater Place, 2 Southbank Boulevard, Southbank 3006 GPO Box 2007s, Melbourne 3001 Telephone: (03) 9220 0300 Facsimile: (03) 9220 0333 Email: investorservices.au@avivainvestors.com Website: www.avivainvestors.com.au Part of the international Aviva plc group.

Investment guidelines and ranges

	Minimum	Benchmark Allocation	Maximum	As at 31 July 10
Australian shares	50%	75%	100%	78.4%
Long	50%	-	150%	98.2%
Short	0%	-	-50%	-19.8%
Cash/short-term securities	0%	25%	50%	21.6%

Latest portfolio update

The fund delivered a gross return of 3.4% for the month of July, underperforming the benchmark return of 3.5%.

The best performing stocks for the portfolio during the month, relative to the benchmark, were Centennial Coal Company (0.28%) and Incitec Pivot (0.27%).

Stocks detracting from the performance, relative to the benchmark, were Newcrest Mining (-0.35%) and Westpac Banking Corporation (-0.33%).

Top 10 shares holdings at 31 July 2010 (alphabetical order)

- ANZ Banking Corporation
- BHP Billiton
- National Australia Bank
- Newcrest Mining
- Origin Energy
- Rio Tinto
- Wesfarmers
- Westfield Group
- Westpac Banking Corporation
- Woodside Petroleum