

AVIVA INVESTORS - MULTI- ASSET PLUS FUND I - GBP

INVESTMENT RESEARCH NOTE
FEBRUARY 2024

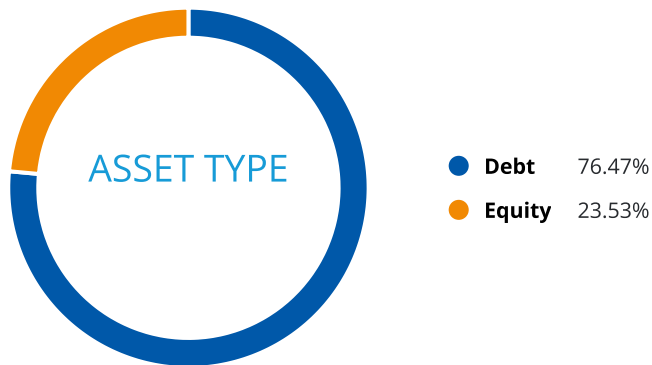
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SUMMARY

Launched in November 2010, Aviva Multi Asset Fund I is part of a range of 5 Multi Asset funds, graded by risk profile. This is the lowest risk fund in the range and is designed to provide 20% of the volatility of global equities when compared to the MSCI World Equity unhedged GBP index.

The Multi-Asset team is headed up by Guillaume Paillat, supported by 3 other Fund Managers. This is very much a team approach with Guillaume drawing on the experience of his immediate colleagues, but also utilising other analytical support within Aviva's other investment teams, both in London and across the globe.

The fund divides the exposure between Growth, Defensive and Uncorrelated assets. This fund would expect to have the vast majority of assets in the Defensive segment. Fixed Interest assets are divided between Growth and Defensive based on their volatility and tail risk characteristics. The fund is global in outlook and would typically hold a lower UK asset exposure than many of its peers.



INVESTMENT PROCESS

The strategy is centred around a key belief that markets are not efficient in the short-term and hence risk is likely to be mispriced. Over a longer period of time, typically three years, these inefficiencies can be exploited. The multi asset team is lead by Guillaume Paillat, who joined in July 2018. He brings strong managerial skills, which are key to ensuring the full skill-set of the multi asset team are involved as well as leveraging on the input from other investment teams within Aviva. The critical role that he plays in this area does involve some key man risk.

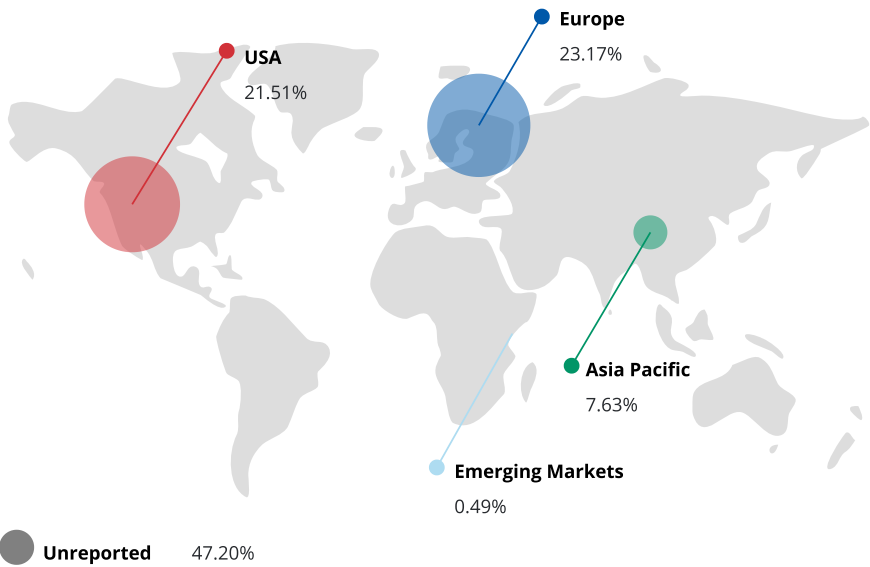
The investment process has three stages.

1. The fund takes the house view from the Investment Strategy Team which helps formulate the market view and likely risk scenarios. This is a long term strategic asset allocation decision.
2. The second stage is a tactical asset allocation decision based on a 12-18 month time frame, by the Multi-Asset team, but actively drawing on the experience and knowledge of the entire investment team at Aviva Investors, across their global offices. This part of the process is somewhat subjective and is based on the assessment by the team of the internal inputs from colleagues.
3. The final stage is implementation and a separate team is involved (including the multi-manager research team), to ensure the most effective way of implementing the tactical asset allocation views in the portfolio.

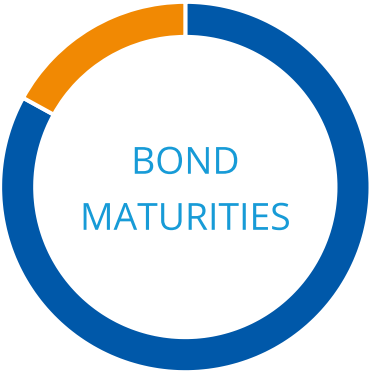
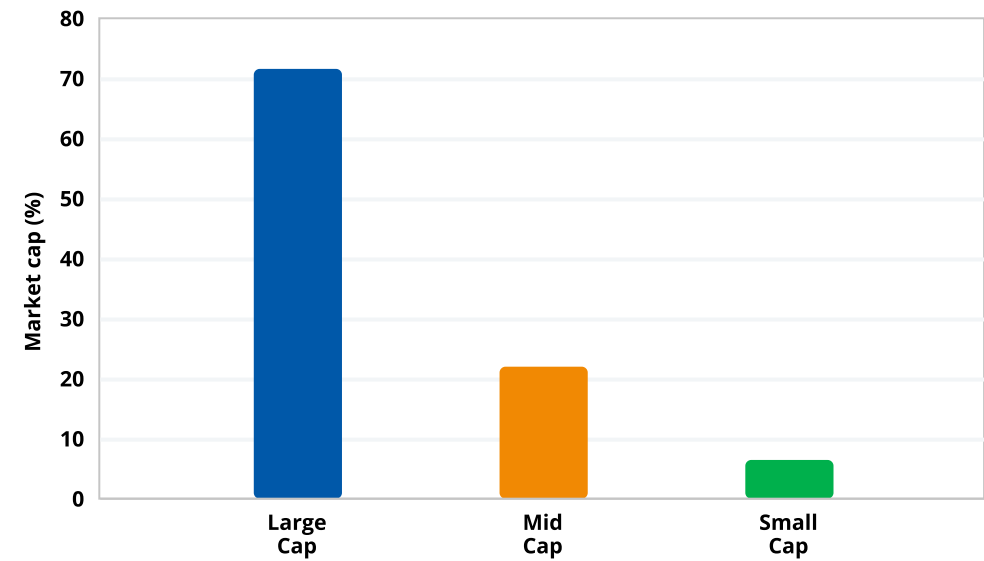
The fund is designed to deliver 20% of equity market volatility and the team looks beyond volatility analysis and onto tail risk to ensure the volatility target is reached. The fund invests in 3 broad risk groups - Growth, which can include higher risk fixed interest such as EM debt and Global High Yield; Defensive, such as Govt Bonds, IG Credit and Cash. The final group is Uncorrelated, which is focused on the Aviva AIMS product. The fund remit has recently been widened to include exposure to other products and assets within the uncorrelated element of the portfolio. The fund manager dynamically adjusts the allocation between defensive, growth and uncorrelated groups of strategies alongside the market movement in order to achieve the target return.

AGGREGATED NET EXPOSURE

REGIONAL EXPOSURE



EQUITY MARKET CAP (%)



- Short Term (1-3 yr) 83.00%
- Intermediate Term (3-10 yr) 17.00%



- Investment Grade 93.50%
- Speculative Grade/High Yield 6.50%

OVERALL PERFORMANCE

● Aviva Investors Multi-Asset Plus Fund I R2 GBP Acc ● Multi-Asset Benchmark(FI/EQ) - 85/15

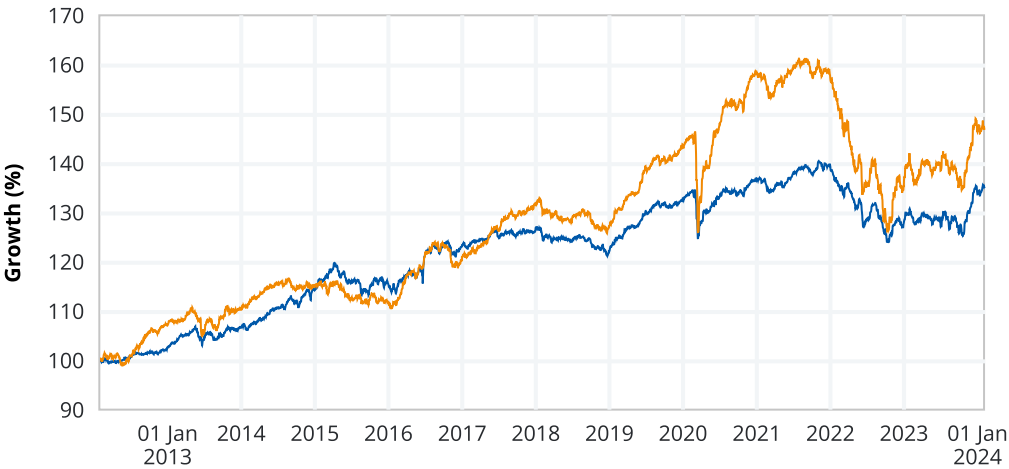
GROWTH (%) - OVER 1 YEAR

13 Feb 2023 - 12 Feb 2024



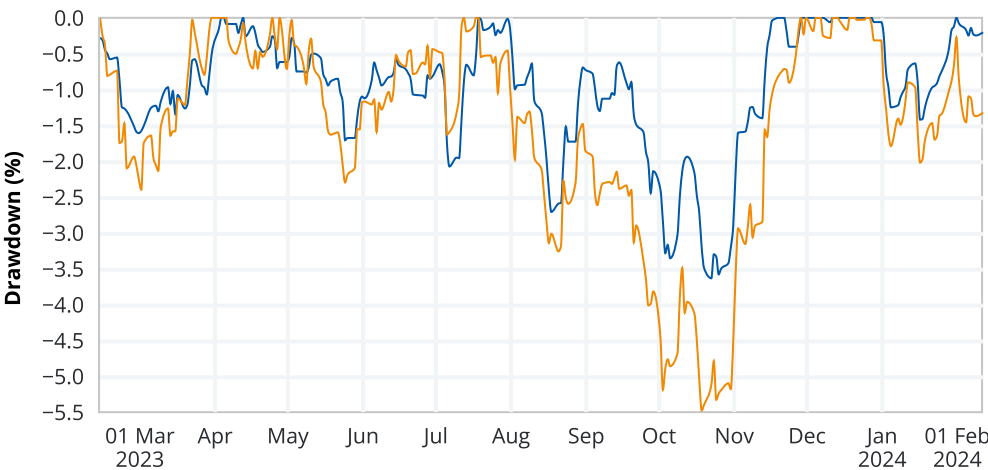
GROWTH (%) - FROM INCEPTION

7 Feb 2012 - 12 Feb 2024



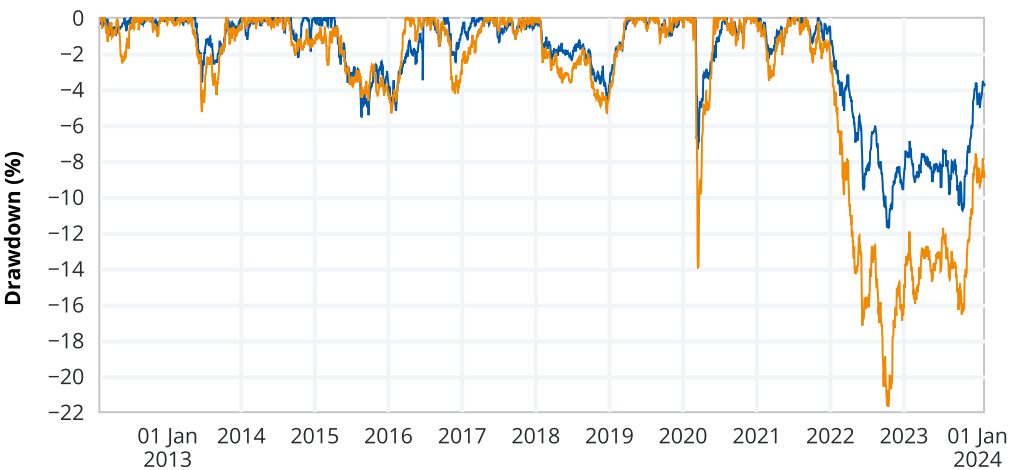
DRAWDOWN (%) - OVER 1 YEAR

13 Feb 2023 - 12 Feb 2024



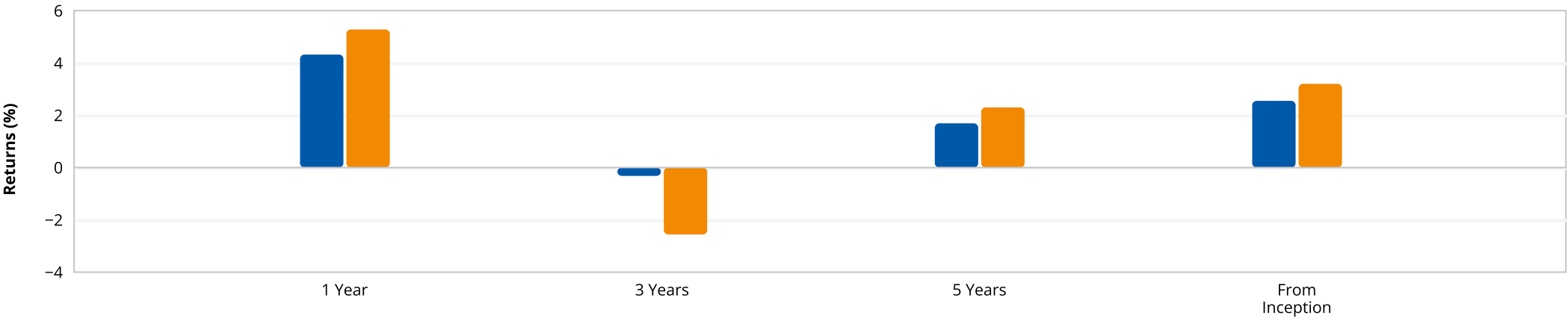
DRAWDOWN (%) - FROM INCEPTION

7 Feb 2012 - 12 Feb 2024



RETURNS

● Aviva Investors Multi-Asset Plus Fund I R2 GBP Acc ● Multi-Asset Benchmark(FI/EQ) - 85/15



MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	-0.06	0.02											-0.04
2023	1.99	-1.51	1.10	0.01	-0.56	0.35	1.03	-0.68	-1.46	-1.09	3.86	3.44	6.51
2022	-2.27	-1.07	0.60	-2.41	-0.06	-3.36	2.39	-1.24	-2.93	-0.26	2.24	-0.96	-9.12
2021	-0.61	-1.14	0.09	0.77	0.22	1.09	0.98	0.50	-0.89	0.39	0.18	0.55	2.12
2020	0.92	-0.22	-4.15	2.23	0.95	0.78	1.13	-0.39	0.01	-0.34	1.72	0.84	3.39
2019	1.85	0.86	1.12	0.73	0.18	1.47	0.88	1.09	-0.34	-0.13	0.55	0.21	8.77

Capped to 6 years.

ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Aviva Investors Multi-Asset Plus Fund I R2 GBP Acc	4.32	-0.32	1.69	2.55
Multi-Asset Benchmark(FI/EQ) - 85/15	5.28	-2.56	2.30	3.20

CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
Aviva Investors Multi-Asset Plus Fund I R2 GBP Acc	4.30	-0.95	8.68	35.22
Multi-Asset Benchmark(FI/EQ) - 85/15	5.28	-7.44	12.01	45.85

● Aviva Investors Multi-Asset Plus Fund I R2 GBP Acc ● Multi-Asset Benchmark(FI/EQ) - 85/15

PERFORMANCE - OVER 1 YEAR

13 Feb 2023 - 12 Feb 2024

	●	●
RETURNS (%)	4.32	6.19
VOLATILITY (%)	3.89	5.82
ALPHA	0.00 *	
BETA	0.57 *	1.00
CORRELATION	0.94 *	1.00
SHARPE RATIO	-0.12	0.19
SORTINO RATIO	-0.17	0.28
MAX DRAWDOWN (%)	-3.63	-5.48

*Calculated over a 3 year period where history permits.

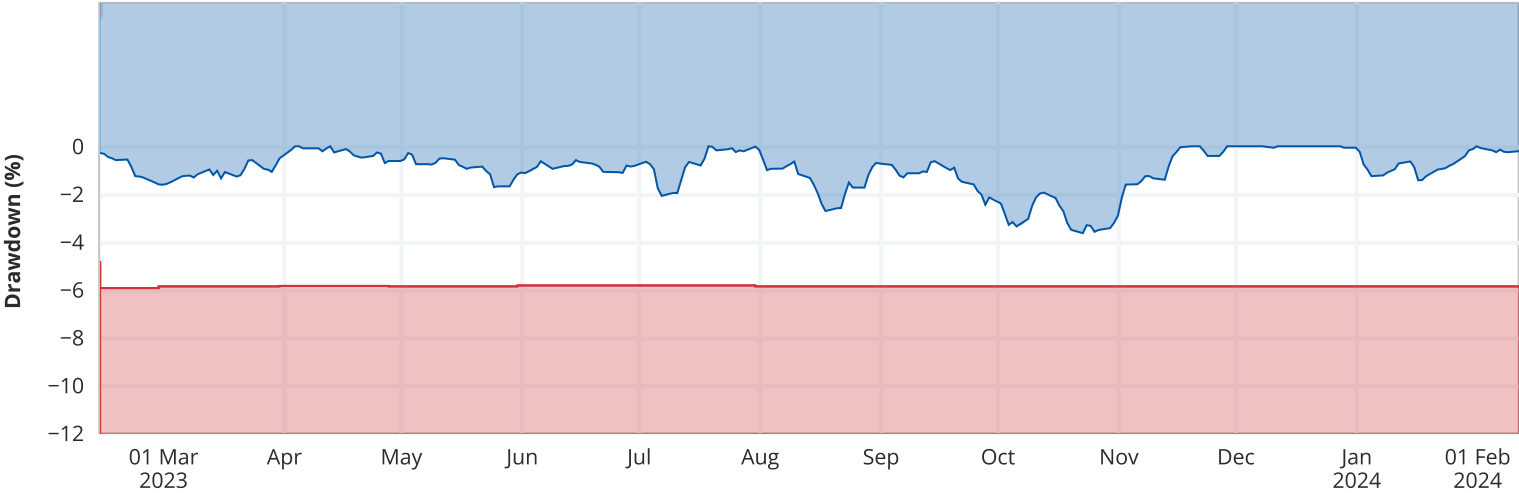
PERFORMANCE - FROM INCEPTION

7 Feb 2012 - 12 Feb 2024

	●	●
RETURNS (%)	2.55	3.28
VOLATILITY (%)	3.13	4.72
ALPHA	0.04	
BETA	0.54	1.00
CORRELATION	0.87	1.00
SHARPE RATIO	0.49	0.41
SORTINO RATIO	0.70	0.55
MAX DRAWDOWN (%)	-11.71	-21.70

SIMPLE STRESS TEST DRAWDOWN (%)

13 Feb 2023 - 12 Feb 2024



Stress test notes

The chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

DISCLAIMER

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