

**SHINING A LIGHT ON THE.....
Aviva Global Equity Income Fund**

AT A GLANCE

| Investment Objective | |
|---|--|
| The Fund aims to grow your investment through a combination of income and capital growth over the long term (5 years or more) by investing in shares of global companies. Within this combined return, the Fund aims to deliver an income equivalent of at least 125% of the income return of the MSCI® All Country World Index (GBP), over any given 12- month period (before charges and taxes).At least 80% of the Fund will be invested in shares of global companies. "Global companies" means companies in any country across the globe, including with up to 20% of the Fund invested in emerging markets. | |

| | |
|----------------------------|---|
| Inception Date | 14 th February 2000 |
| Fund Factsheet Link | https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04DCE |

| Management | |
|---------------------|--------------------------------|
| Manager Name | Start Date |
| Richard Saldanha | 21 st November 2013 |

| Investment Style Details | |
|---------------------------------|--------------------|
| Equity Style | |
| Market Capitalisation | % of Equity |
| Giant | 67.64% |
| Large | 26.88% |
| Medium | 5.48% |
| Small | 0.00% |
| Micro | 0.00% |

| Top 10 Holdings | | |
|----------------------------------|--------------------|--------------------|
| Total number of holdings | 42 | |
| Assets in Top 10 Holdings | 37.82% | |
| Name | Sector | % of Assets |
| JPMorgan Chase & Co | Financial Services | 4.63% |
| Microsoft Corp | Technology | 4.19% |
| The Home Depot Inc | Consumer Cyclical | 4.07% |
| McDonald's Corp | Consumer Cyclical | 3.96% |
| NextEra Energy Inc | Utilities | 3.80% |
| Cisco Systems Inc | Technology | 3.72% |
| UnitedHealth Group Inc | Healthcare | 3.67% |
| Total SA | Utilities | 3.49% |
| Apple Inc | Technology | 3.35% |
| Becton, Dickinson and Co | Healthcare | 2.95% |

| Volatility Measurements | |
|-----------------------------------|-------|
| 3-Yr Std Dev (volatility) | 9.81% |
| 3-Yr Mean Return (average) | 9.50% |

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FUND PERFORMANCE

Performance from 1st January 2014 to 31st January 2020:

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------|-------|--------|--------|--------|--------|--------|
| Aviva Global Equity Income Fund | 10.90% | 7.99% | 19.95% | 11.88% | -3.86% | 20.99% | 1.67% |
| MSCI World | 9.33% | 2.89% | 25.62% | 9.72% | -4.87% | 20.36% | -0.19% |

Performance over 12 months, 3 years, 5 years, and since fund manager inception:

| | 1 year | 3 years | 5 years | Since fund manager inception |
|--|--------|---------|---------|------------------------------|
| Aviva Global Equity Income Fund | 18.59% | 31.29% | 66.70% | 86.89% |
| MSCI World | 15.23% | 24.73% | 59.09% | 78.32% |

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This fund is part of a stable of three global funds offered by Aviva; Unconstrained, Endurance and Income. There is a small crossover in holdings but these are distinct stand-alone strategies offering investors different opportunities. The overlap comes from what the team call the global winners list.

Aviva Investors are building out their equity capabilities with a number of hires from Standard Life Investments. Mikhail Zverev came on board 12 months ago with a specific mandate to deliver this. He believes that the three global funds take the best from SLI but at the same time have evolved.

Having three strategies means there is a common approach, and research across the company and within the team. The income strategy is looking for those companies with sustainable and growing dividends, backed by cash. The fund has been managed by Richard since 2013.

The investment philosophy is the same across the strategies. They are style agnostic, looking for the best stock opportunities irrespective of style implications. They use the term future focus; this is basically looking for company-specific change and how this might impact the company moving forward. The final element is connected thinking; this is about using all the resources across the different teams to capture information and detect patterns within regions and industries.

The income fund has around 40 holdings and has been able to deliver a growing dividend each year. An example holding is Texas Instruments. Ideas for this came from auto manufacturers, industrial automation companies and industry peers. The company are playing into the electric vehicle theme, with chip technology providing more predictable cash flow.

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In terms of holdings across the three strategies, UnitedHealth Group is a change story. It is an embedded part of the US healthcare sector and delivers a growing income. Idea generation came from insurance competitors, integrated strategy followers and industry peers.

The income fund is the oldest of the three strategies and although the general style will not change, the flow of information should help and improve the performance. In terms of the performance it has been able to deliver returns above the benchmark. We would always recommend that investors considering a global income strategy look at others before making a final decision.

The source of information in this note has been provided by Aviva and is correct as at January 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.