

**SHINING A LIGHT ON THE.....
Aviva Investors Global Endurance Fund**

AT A GLANCE

Investment Objective
The Fund aims to grow your investment over the long term (5 years or more) by investing in shares of global companies. 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 investing up to 25% of the Fund in emerging markets.

Inception Date	19 th December 2017
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000ZKA1

Management	
Manager Name	Start Date
Giles Parkinson	19th December 2017

FUND PERFORMANCE

Performance from 1st January 2018 to 31st January 2021:

	2018	2019	2020	2021
Aviva Investors Global Eq Endur Fund	-3.52%	28.69%	16.20%	-1.43%
FTSE World ex UK	-2.68%	23.10%	14.15%	-1.31%

Performance over 12 months, 3 years, and since launch:

	1 year	3 years	Since Launch
Aviva Investors Global Eq Endur Fund	9.87%	43.33%	40.66%
FTSE World ex UK	12.96%	34.39%	33.77%

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.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
6.33	94.30	103.51	87.62	52.78	0.94	3.29	Blend/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	15.22%
3-Yr Mean Return (average)	12.75%

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Investment Style Details	
Giant	31.98%
Large	36.35%
Medium	29.56%
Small	1.84%
Micro	0.00%

Top 5 Holdings – 33 Equity Holdings		
RELX PLC	Communication Services	6.20%
Wolters Kluwer NV	Communication Services	5.21%
Alphabet Inc Class C	Communication Services	4.87%
Moody's Corporation	Financial Services	4.86%
Berkshire Hathaway Inc Class A	Financial Services	4.60%

Top 5 Sectors	
Financial Services	30.95%
Communication Services	24.26%
Industrials	18.18%
Consumer Cyclical	6.47%
Healthcare	6.46%

Top 5 Regions	
United States	74.10%
United Kingdom	13.48
Netherlands	9.76%
Germany	1.53%
China	1.13%

UPDATE....

Choosing a global fund is complicated as there are so many options out there in the market for investors. Giles has managed this fund since launch, and looking at Trustnet he has outperformed 100% of the time in falling markets, but only 33% of the time in rising markets. This meeting was more to understand what makes this different and why people should consider investing.

The aim is to deliver resilient returns in a variety of environments. Giles explained that his aim is to match the market when it goes up, and decrease less on the downside. He explained that investing is an art where your level of skill is compared to those of the competition. He went on to explain that beating the market is hard, especially over the long term, and that luck, which is part of investing, will run out. The point being that almost all the top performing funds will spend time at the bottom of the tree.

The real test they believe is the “capture ratio” which is a mix of what is captured both on the upside and downside. With the aim to match the market on the way up and less on the way down, Giles believes this offers investors something different, which is resilient returns.

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In terms of how he approaches investments he is looking for predictable and sustainable business models. Additionally, he is prepared to wait for companies to come in at the right price. The questions they are asking before investing in a company are:

1. What has it got?
2. Will it be worth more in a decade?
3. Do they spend wisely?
4. Can Giles place a value on that business?

The shape of the portfolio includes those companies with higher returns on capital, high profit margins and lower levels of debt. We discussed ESG and Giles explained that it is important if it impacts cash flows. They spend a great deal producing an engagement plan with each company they invest in and much of the work is around governance and management. So, although this is not an ESG Fund, it has it integrated into the process as part of the drive to deliver a portfolio of holdings which are adaptable to all market environments.

Within the portfolio they have stocks which will benefit from the move to normalisation (Visa, Mastercard, Heineken, Travel Sky and Darden). They are also invested in data which they see as the new oil (this includes Equifax, RELX, Alphabet, United Health and Wolters Kluwer).

In terms of selling, this can be down to a change in view on a company or just recognising they are wrong. 2020 was an opportunity to learn and investing should always be about learning – were they wrong because of a lack of skill or by not listening?

In summary, it is very tempting to chase performance and opt for those funds which are top of the tree. Giles' argument is that consistency over the long term is better for clients. He believes this strategy can deliver that for investors as long as they understand that on the way up, they will lag the wider market. Then this, combined with protection of the downside, should provide investors with long term wealth creation. It is worth adding that Aviva have a range of global funds and this strategy has little crossover with those strategies.

The source of information in this note has been provided by Aviva and is correct as at February 2021. 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.