

**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 May 2021:

	2018	2019	2020	2021
Aviva Investors Global Eq Endur Fund	-3.52%	28.69%	16.20%	12.64%
FTSE World ex UK	-2.68%	23.10%	14.15%	7.36%

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

	1 year	3 years	Since Launch
Aviva Investors Global Eq Endur Fund	24.17%	64.54%	60.74%
FTSE World ex UK	23.89%	41.27%	43.03%

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
6.61	92.82	113.61	82.68	58.33	0.95	6.71	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	15.63%
3-Yr Mean Return (average)	18.06%

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Investment Style Details	
Giant	31.12%
Large	36.54%
Medium	30.12%
Small	2.12%
Micro	0.00%

Top 5 Holdings – 31 Equity Holdings		
RELX PLC	Communication Services	5.46%
Wolters Kluwer NV	Communication Services	5.33%
Alphabet Inc Class C	Communication Services	5.30%
Willis Towers Watson PLC	Financial Services	5.11%
Moody's Corporation	Financial Services	4.86%

Top 5 Sectors	
Financial Services	31.28%
Communication Services	23.17%
Industrials	14.84%
Consumer Defensive	7.85%
Healthcare	6.97%

Top 4 Regions	
United States	74.17%
United Kingdom	15.03%
Netherlands	9.72%
China	1.07%

UPDATE....

With a plethora of global funds comes the question of what do you turn to? This conversation with the manager was really to drill down where this fund might sit. The key element of this is capital preservation. This primarily means that Giles looks to protect on the downside but the flipside is that when the markets are racing ahead this fund will tend to lag.

Giles takes a flexible approach to investment, looking for those predictable and sustainable businesses. He believes good businesses can become cheap but that does not necessarily reflect what everyone else thinks. A good business will have a competitive advantage, be in a sector where it is likely to be worth more in a decade, and they are able to put a value on that business. Valuing the business is more about forecasting what is predictable and comparing to existing holdings and other equities. This open-minded approach means that opportunities arise.

An example of a new holding is Ryanair; this is a business which has done things its way for many years, and over the last 12 months the opportunity arose to invest in that business. To say you will never invest in airlines because they are old economy is the wrong approach, we need to be open to opportunities.

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We talked about ESG, and he explained that every company must get the governance right. An example is Costco where they pay higher wages and provide health insurance. This translates into happier workers, low shrinkage rates (this is goods being stolen) and ultimately provides a strong competitive advantage compared to others within the space.

In terms of current position, the fund is positioned towards travel and leisure normalisation (Visa, Mastercard, Heineken and Travel Sky) and data as the new oil (Equifax, RELX, Alphabet, Wolters Kluwer, and UnitedHealth Group).

In summary, where do we feel this sits? We have long argued that this fund will not necessarily be top of the tables but where we think this offers something different is that this is not a mono bet. By this we mean that there are some strategies that follow a single style and set of beliefs with the view that this will never change. Those managers have been right over the last ten years, and they might be right over the next ten years, but what happens if they are not?

This fund really acts as the counterbalance with an open-minded approach following a very simple philosophy of capturing returns from sustainable and predictable businesses. It is also a high conviction, benchmark agnostic strategy which is likely to look very different to the mono bet strategies.

One area of concern we have is the recent announcement that Aviva are closing some of the strategies and fund managers are leaving. We believe this fund is very much driven by Giles and the team and therefore any change to that could change our view of the strategy.

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