

Aviva Investors Multi-Strategy Target Return

Monthly summary for April 2023



ISIN
AU60PIM00268

UNIT CLASS INCEPTION DATE
01/07/2015

FUND SIZE
AUD 205.44m

Fund overview

Objective: To achieve a 5% per annum gross return above the Reserve Bank of Australia Cash Rate (or equivalent) over a 3-year rolling period, regardless of market conditions (absolute return).

* Ian Pizer used to manage this fund from 01/07/2014 to 01/09/2018 and again he is an active fund manager from 06/05/2021 to present.

Summary

Underlying Fund managers **Peter Fitzgerald** since 07/2015
***Ian Pizer** since 05/2021

Performance benchmark **RBA cash rate + 5%**

Month in review

The fund ended the month in negative territory. Opportunistic Returns led the losses but was buffered by gains in Market Returns, Risk Reducing Returns as well as our cash holdings.

Looking ahead last updated April 2023

An early cut in interest rates appears unlikely. We suspect inflation will prove stickier than expected and therefore will require weaker economic growth before central banks loosen policy.

Month in review

Risk assets were largely able to shake off concerns around the banking sector, with equities and credit continuing their positive streak in April. Value oriented sectors such as energy, financials and consumer staples outperformed their growth counterparts such as technology. Meanwhile, emerging market equities posted negative returns on the back of slowing growth concerns within China. This also weighed on the mining sector. While concerns around the debt ceiling and US banking sector brought some volatility towards the end of the month, developed market bonds remained relatively rangebound with US and German yields closing the month at roughly the same level it began. UK yields however, widened materially. Gold continued its rally, gaining 1% while the US dollar index lost -0.8%. Crude oil rose 1.5% over the month.

Market Returns contributed positively to fund performance, led by long European equities. This was followed by our long US equities position, whilst long global convertibles slightly offset this with a modest loss.

Opportunistic Returns posted losses over the period. Our long resources position detracted the most, followed by the long European systematic value and to a lesser extent by the recently re-opened long UK rates strategies. Losses were mitigated by gains in short US rates and long European dividends positions.

The **Risk-Reducing** section of the portfolio contributed to fund performance, mainly through the strong balance sheet equity relative value strategy.

Performance

	Cumulative (%)					Annualised (%)		
	1M	3M	6M	FYTD*	1Y	3Y	5Y	Since Inception
Fund gross	-0.55	-2.44	1.61	5.91	2.40	4.57	3.02	3.05
Fund net	-0.63	-2.67	1.13	5.08	1.43	3.59	2.05	2.07
Benchmark	0.70	2.06	4.02	6.29	7.18	5.82	5.98	6.24

Past performance is not a guide to future performance.

Performance basis: NET OF FEES, COSTS, TAXES. Mirrors Australian Dollar Hedged 'F' Share Class of the Aviva Investors Multi-Strategy Target Return Fund, a sub-fund of Aviva Investors SICAV. The Fund's performance is measured against the Reserve Bank of Australia Cash Rate + 5%. *Financial year-to-date. The financial year runs from 1 July to 30 June.

Looking ahead last updated April 2023

While we may be nearing the peak of interest rate hikes, we think the early timing of rate cuts is unlikely to be delivered. We suspect inflation will prove stickier than expected and therefore will require weaker economic growth before central banks loosen policy.

We continue to maintain preference for value versus growth in US and Europe, as well as the resources sector. Within duration, our largest conviction position are short Japanese and European rates versus long UK rates.

Within **Market Returns**, we reduced our exposure to European banks within our long European equities position. We also reduced our exposure to long global convertible bonds.

Within the **Opportunistic section**, we maintain our preference for value over growth and the positive long-term structural trends in energy and resources companies, alongside opportunities in volatility markets. We maintain our short European and Japanese rates positions within duration and re-introduced long UK rates exposure.

There were no changes within the **Risk Reducing** section of the portfolio.

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Fund risks

The key risks of the fund, which are detailed in the product disclosure statement, are:

- Collateral risk
- Counterparty risk
- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Fund risk
- Fund Structure risks
- General risks
- Interest rate risk
- Leverage risk
- Liquidity risk
- Market risk
- Operational risk

Important information

The source for all performance, portfolio and fund breakdown data is Morningstar unless indicated otherwise.

All data is as at the date of the Commentary, unless indicated otherwise. For share classes that have not yet completed 5 years, the cumulative performance chart will start from the first full month.

The legal documentation and the subscription documents should be read before an investment is made. Portfolio holdings are subject to change at any time without notice and information about specific securities should not be construed as a recommendation to buy or sell any securities.

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