

# Aviva Investors Multi-Strategy Target Return

## Monthly summary for February 2023



ISIN  
AU60PIM00268

UNIT CLASS INCEPTION DATE  
01/07/2015

FUND SIZE  
AUD 215.64m

### 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. Market Returns led the losses followed by Risk Reducing Returns, while Opportunistic Returns contributed to performance.

### Looking ahead last updated February 2023

Our expectations are that central banks will regain control of inflation. The pace of monetary tightening is expected to slow and markets largely resilient to incremental rate rises.

### Month in review

Markets largely reversed January's gains in February, as strong inflation and economic data raised expectations of more restrictive monetary policy actions. Equity losses were led by China and emerging markets; meanwhile, the announcement of a Brexit deal between the UK and EU helped boost investor sentiment and resulted in positive headline performance across both markets. Developed bond market yields rose, with the 2-year UST and Bund yields rising 61bps and 48bps to 4.8% and 3.1%, respectively. Japanese 10-year bond yields closed the month largely unchanged as the incoming head of the BoJ gave the market little direction on future policy changes. Higher yields and general risk off sentiment saw a rally in the US dollar and slump in gold. Commodity prices across the board fell on the back of expected lower demand.

**Market returns** detracted from performance this month, led by our long US and emerging market equities exposures. Long global convertibles detracted more moderately, while long UK equities posted a small gain.

**Opportunistic Returns** once again led the gains this month. Our short European rates was the strongest performer at fund level, followed to a lesser extent by the long defense equity relative value strategy. These gains were offset by losses from our long resources equity relative value strategy, as well as the now-closed long UK rates position.

The **Risk-Reducing** section of the portfolio also experienced a drag on performance due to the long Japanese yen v UK sterling position. This was partially offset by gains in our strong balance sheet equity relative value strategy.

### Performance

	Cumulative (%)					Annualised (%)		
	1M	3M	6M	FYTD*	1Y	3Y	5Y	Since Inception
<b>Fund gross</b>	-0.48	2.33	6.51	8.04	8.43	4.12	3.51	3.38
<b>Fund net</b>	-0.56	2.09	6.01	7.36	7.41	3.14	2.54	2.41
<b>Benchmark</b>	0.65	1.97	3.76	4.83	6.59	5.65	5.91	6.19

### 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 February 2023

Our expectations are that central banks will regain control of inflation. The pace of monetary tightening is expected to slow and we are in a window where markets are largely resilient to incremental rate rises, even as longer term risks of a hard landing rise. Dynamic position management and relative value continues to play a key role in the current risk landscape. 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 is in short European rates while continuing to maintain a position in short Japanese rates.

Within **Market Returns**, we tactically increased our directional equity positions across the US and Europe, before reducing towards the end of the month. We also reintroduced our exposure to long emerging market equities while continuing to have no exposure in Japanese equities.

Within the **Opportunistic section**, we continue to believe in value over growth and the long-term structural opportunities in energy and resources companies, alongside opportunities in volatility markets. We maintain our short European and Japanese rates positions within duration, while closing our long UK rates position.

We continue to maintain the long Japanese yen v UK sterling position as well as defensive equity relative value strategies within **Risk Reducing**.

# Aviva Investors Multi-Strategy Target Return Monthly summary February 2023

## 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.

Aviva Investors Pacific Pty Ltd ('AIPP', 'we', 'us', or 'our') (ABN 87 153 200 278, AFSL 411458) is the issuer of this document and is wholly responsible for its contents.

This document is not a product disclosure statement or a prospectus as these terms are defined in the Corporations Act 2001 (Cth), and is not required to be, and has not been, lodged with or registered by the Australian Securities and Investments Commission. Consequently ASIC does not take any responsibility for its contents.

This document is not directed to, and should not be considered by, 'retail clients' (as defined in section 761G of the Corporations Act 2001 (Cth) and applicable regulations). Accordingly, investments in the financial products and services described in this document may only be arranged by AIPP in Australia in circumstances that do not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act, whether because the recipients of this document are 'wholesale clients' (as defined in section 761G of the Corporations Act and applicable regulations), or otherwise.

The Aviva Investors Multi-Strategy Target Return Fund is a managed investment scheme established in Australia and registered with the Australian Securities and Investments Commission (ASIC) under the Corporations Act (ARSN 605 042 288). The Responsible Entity of the Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150). The Investment Manager of the Fund is Aviva Investors Pacific Pty Ltd, an Australian established company (ABN 87 153 200 278) which holds an Australian Financial Services License (AFSL 411458) issued by the Australian Securities and Investments Commission. Business Address: Level 27, 101 Collins Street, Melbourne VIC 3000, Australia. The Product Disclosure Statement, target market determination, and material disclosure updates are available from AIPP at [www.avivainvestors.com.au](http://www.avivainvestors.com.au).

The Aviva Investors Multi-Strategy Target Return Fund intends to invest a significant proportion of its assets in an underlying fund which in turn may invest a substantial proportion of its assets in derivatives contracts with the aim of, among other things, gearing the underlying fund's investment exposure. The risk for the Aviva Investors Multi-Strategy Target Return Fund involved in this approach may be considerable and may not be suitable for some investors.

No part of this document is intended to constitute advice other than general advice (as defined in section 766B (4) of the Corporations Act), or make a recommendation of any nature.

Unless stated otherwise any opinions and future returns expressed are those of Aviva Investors and based on Aviva Investors internal forecasts. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature.

**The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested.**

**Past performance is not a guide for future performance.**

**The distribution and offering of financial products and services is restricted by law in many jurisdictions. This document is intended only for use in Australia and should not be relied on in any other jurisdiction.**