

SHINING A LIGHT ON THE..... Aviva Global Equity Unconstrained Fund

AT A GLANCE

Investment Objective	
The Fund seeks to generate consistent long-term returns by investing in a concentrated, style-agnostic portfolio of global stocks.	

Inception Date	1 st August 2019
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000013IWH

Management	
Manager Name	Start Date
Mikhail Zverev	1 st August 2019

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	42.41%
Large	31.90%
Medium	25.68%
Small	0.00%
Micro	0.00%

Top 10 Holdings			
Total number of holdings	41		
Assets in Top 10 Holdings	30.17%		
Name	Sector	% of Assets	
Alphabet Inc A	Communication Services	3.55%	
UnitedHealth Group Inc	Healthcare	3.33%	
NextEra Energy Inc	Utilities	3.29%	
Skyworks Solutions Inc	Technology	3.07%	
Bayer AG	Healthcare	3.03%	
Nordea Bank Abp	Financial Services	2.86%	
Fidelity National Information Service...	Technology	2.79%	
Heineken NV	Consumer Defensive	2.79%	
Thermo Fisher Scientific Inc	Healthcare	2.75%	
Nasdaq Inc	Financial Services	2.70%	

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

FUND PERFORMANCE

Performance from 1st August 2019 to 31st January 2020:

	2019	2020
Aviva Global Equity Unconstrained Fund	5.82%	0.31%
MSCI World	-0.35%	-0.19%

Performance since launch:

	Since launch
Aviva Global Equity Unconstrained Fund	6.15%
MSCI World	-0.54%

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 (now ASI), 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 unconstrained strategy is the newest one and is managed by Mikhail. This is basically a replication of what he successfully managed at Standard Life before coming across to Aviva. This one takes greater risk in looking for companies where change is mispriced. It currently has 41 holdings.

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.

An example holding is SK Hynix. The market view is that the memory semiconductor industry is uncompetitive with too many players. But the market has consolidated so supply is less and those remaining are more disciplined. The demand to store data will only grow and therefore they see long term demand drivers. In terms of research this came from suppliers, competitors and customers. This is a stock which would work for the unconstrained fund, not the other two global funds.

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.

This is the newest fund. We met Mikhail just as he was about to launch it and build out the range. It is very early days for his fund but performance at the start has been good. He believes the three global strategies are a good way to build out the business. In terms of remuneration packages being aligned to investors this is still to be worked out but there is a clear intention for this to happen. Overall the proposition is interesting and it will be good to monitor the three strategies moving forward to see if the success can be replicated.

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.