

# Aviva Investors Managed High Income Fund 2

## GBP Inc



ISIN  
GB0004463039

BLOOMBERG  
NORGB21 LN

ASSET CLASS  
Fixed Income

NAV  
79.86 GBX

FUND SIZE  
GBP 126.27m

AS AT  
31 Aug 2021

### Fund overview

**Objective:** To provide an income of at least 110% of that of the benchmark (before charges and taxes), and an overall net return greater than the benchmark over the long term (5 years or more) (after charges and taxes). The benchmark (the "Index") is a composite index, as detailed in our prospectus.

**Investments:** At least 80% of the Fund is invested in bonds (including those issued by governments and supranational organisations) issued in Sterling or hedged to Sterling, including exposure to emerging markets. A maximum of 70% of holdings may be sub-investment grade (below BBB-/Baa3). The Fund may also invest in other bonds, shares of companies, other funds, cash and deposits. The Fund may use derivatives for efficient portfolio management or to reduce risk.

**Strategy & Environmental, Social and Governance (ESG) criteria:** The Fund is actively managed. The investment manager uses macroeconomic, market and credit analysis to assemble a high-conviction portfolio of securities that appear to offer strong risk-adjusted returns. Whilst ESG factors are integrated into the investment process, the Manager retains discretion over investment selection. The Manager actively engages with companies with the aim of influencing behaviour and helping to create competitive returns. In addition, the Fund has limited exclusions based on Aviva Investors' UK Responsible Investment (RI) policy framework. Full details of the Fund's Objective & Investment Policy, and the associated RI policy is available on our website and prospectus.

The fund's benchmark changed on 7th August 2019, for further details please see the Fund Targets section. The Benchmark performance is not available from the launch date of this share class.

### Key facts

Fund Managers

Chris Higham since 01/11/2012

James Vokins since 29/06/2016

Open Ended Investment Company

United Kingdom

Legal Form

Domicile

Share Class Inception Date

01/05/2002

Fund launch date

24/04/1989

Hedged Share Class Flag

No

Entry Fees (max.)

None

Exit Charge

None

Ongoing Charges

0.63% (as at 29/01/2021)

Fund Management Fee

0.62%

Performance Fee (max.)

None

Distribution yield

3.20%

Underlying yield

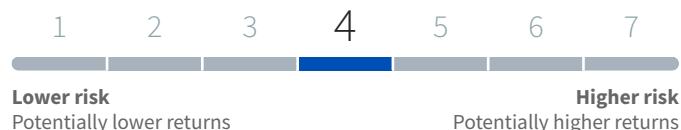
3.20%

### Portfolio stats

	As at Aug 21	1 Year	3 Years	5 Years
Annualised volatility (%)	-	4.11	8.18	6.55
Tracking error (%)	-	0.66	1.03	0.93
Yield to maturity (%) <sup>1</sup>	3.35	-	-	-
Modified duration <sup>1</sup>	6.36	-	-	-
Credit rating <sup>1</sup>	Ba1	-	-	-
Time to maturity <sup>1</sup>	10.29 years	-	-	-
Spread duration <sup>1</sup>	4.98	-	-	-

<sup>1</sup> Source: Aviva Investors, all other data is Morningstar unless stated otherwise.

### Risk measurement (As at 26th Aug 2021)

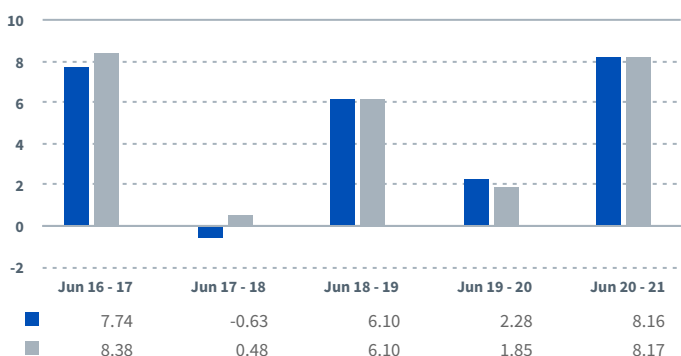


The indicator is based on historical data and may not be a reliable indication of the future risk profile. The category shown may change over time. The lowest category does not mean 'risk free'.

### Cumulative performance (%) (last 5 years, if applicable)



### Rolling annual net performance (%)



### Income (% gross of charges and taxes)\*

	Jun 16 - 17	Jun 17 - 18	Jun 18 - 19	Jun 19 - 20	Jun 20 - 21
■	5.22	5.30	5.21	4.81	4.23
■	5.10	5.10	4.92	4.69	4.16

### Past performance is not a guide to future performance.

\*The Fund aims to provide an income of at least 110% of the income return of the benchmark over the long term (5 years or more).

Performance basis: Month end returns, Mid to mid, net income reinvested, net of ongoing charges and fees, in the share class currency and net of tax payable by the fund. The figures do not include the effect of any exit or entry charge. The Fund's performance is compared against the 40% Markit iBoxx Sterling Non-Gilts Index, 50% Bloomberg Global High Yield Index ex CMBS ex EMG 2% issuer capped (GBP hedged) and 10% JPM Emerging Markets Bond Index (GBP hedged).

## Performance

	Cumulative (%)					Annualised (%)		
	1M	3M	6M	YTD	1Y	3Y	5Y	Since inception
<b>Fund</b>	0.24	2.64	3.68	1.87	6.27	5.64	3.82	5.55
<b>Benchmark</b>	0.26	2.07	3.36	1.72	6.11	5.37	4.05	-

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

Basis of performance is described on page 1.

## Fund breakdown by sector

Sector	Fund (%)	Relative to benchmark (%)
Communications	18.28	+11.82
Consumer Cyclical	10.62	+3.26
Consumer Non-Cyclical	8.71	+3.46
Banking	7.27	+6.65
Treasury	5.99	+5.99
Energy	5.48	-0.05
Insurance	5.01	+4.19
Capital Goods	4.59	+1.66
Sovereign	4.40	+4.40
Other	25.00	+15.06

Source: Aviva Investors, all other data is Morningstar unless stated otherwise.

The fund breakdown by sector shown in the factsheet exclude cash and equivalents .

## Fund breakdown by country

Country	Fund (%)
United States	45.66
United Kingdom	25.62
Italy	4.41
Netherlands	4.00
France	3.44
Canada	2.05
Supranational	1.83
Germany	1.13
Spain	1.12
Other	10.74

The fund breakdown by country shown in the factsheet exclude cash and equivalents .

## Credit rating

Rating	Fund (%)	Relative to benchmark (%)
AAA	1.85	+1.85
AA	4.38	+4.38
A	4.27	+4.27
BBB	25.56	+25.56
BB	34.82	-25.91
B	24.33	-14.85
Below B	3.78	+3.68
Not Rated & Other	1.01	+1.02

Source: Aviva Investors, all other data is Morningstar unless stated otherwise.

## Top holdings

Company	Maturity	Sector	Fund (%)
1 Aviva Investors Em Mkts Bd Zqh EUR Inc	-	-	9.61
2 United Kingdom of Great Britain and Northern Ireland 4.75%	07/12/2038	Treasury	1.93
3 AT&T Inc 4.25%	01/06/2043	Communication Services	1.76
4 Legal & General Gp 0%	27/10/2045	Financial Services	1.76
5 European Investment Bank 4.5%	07/03/2044	Supranational	1.67
6 Citigroup Inc. 4.5%	03/03/2031	Financial Services	1.48
7 Mitchells & Butlers Finance Plc 6.47%	15/09/2032	Other	1.37
8 Telecom Italia S.p.A. 5.88%	19/05/2023	Communication Services	1.30
9 Axa SA 0%	16/01/2054	Financial Services	1.26
10 National Grid Plc Medium Term Note Fixed 5.75%	16/04/2032	Bond Unit	1.23

The Top Holdings shown in the factsheet excludes cash and equivalents.

## Currency breakdown

Currency	Fund (%)	Relative to benchmark (%)
Sterling	32.05	+32.05
Euro	15.00	+15.00
US Dollar	48.63	+9.72

Source: Aviva Investors, all other data is Morningstar unless stated otherwise.

The currency breakdown shown excludes cash and equivalents.

## Fund targets

The Index has been selected as a benchmark for performance measurement because it is representative of the type of bonds in which the Fund is likely to invest, and it is therefore an appropriate measure for the Fund's performance.

Change of benchmark on 7th August 2019 from 20% ML £ A Rated, 20% ML £ BBB rated, 35% ML US High Yield, 15% ML Euro High Yield index BB-B and 10% JPM EMBI Global to 40% Markit iBoxx Sterling Non-Gilts Index, 50% Bloomberg Global High Yield Index ex CMBS ex EMG 2% issuer capped (GBP hedged) and 10% JPM Emerging Markets Bond Index (GBP hedged). The fund's performance is compared against the current benchmark.

## Fund risks

### Investment Risk & Currency Risk

The value of an investment and any income from it can go down as well as up and can fluctuate in response to changes in currency exchange rates. Investors may not get back the original amount invested.

### Convertible Securities Risk

Convertible bonds can earn less income than comparable debt securities and less growth than comparable equity securities, and carry a high level of risk.

### Credit Risk

Bond values are affected by changes in interest rates and the bond issuer's creditworthiness. Bonds that offer the potential for a higher income typically have a greater risk of default.

### Derivatives Risk

The Fund uses derivatives, these can be complex and highly volatile. Derivatives may not perform as expected meaning the Fund may suffer significant losses.

### Illiquid Securities Risk

Certain assets held in the Fund could be hard to value or to sell at a desired time or at a price considered to be fair (especially in large quantities), and as a result their prices could be very volatile.

Full information on risks applicable to the Fund are in the Prospectus and the Key Investor Information Document (KIID).

## Glossary

### Annualised performance

An annualised total return is the geometric average amount of money earned by an investment each year over a given time period.

### Volatility (%)

A measure of the fund's dispersion of returns. A higher volatility implies that a fund's return is spread over a larger range of values whilst a lower volatility implies that a fund's return is spread over a smaller range of values.

### Time to Maturity

This shows the time remaining to maturity of the bonds held by the fund. Generally, the longer the duration of a holding is, the greater the price's sensitivity to any changes in interest rates.

### Credit Rating

Independent ratings agencies assign different ratings to bonds depending on the bond issuers' financial strength and their outlook as well as their ability to pay interest on time and meet all of their liabilities. We use appropriate industry recognised ratings as detailed in source notes.

### Distribution yield

This reflects the amount that is expected to be distributed over the next 12 months as a percentage of the share price of the fund on the date shown. It does not include the deduction of entry charges and is the gross return before tax on distributions. You may be subject to further tax on your distributions. The yield is not guaranteed.

### Entry fee

A one-off charge may be taken from your money before it is invested. The charge is usually a percentage of the amount invested and is additional to the price paid for the units/shares. The entry charge is deducted from the investment before units/shares are bought and is also known as the "initial charge".

### Exit charge

A one-off charge levied on redemption of units/shares before the proceeds of your investment are paid out. This is also known as a "redemption charge".

### Historic yield

The Historic Yield reflects distributions declared over the past 12 months as a percentage of the share / unit price, on the date shown. This does not include entry charges and investors may be subject to further tax on their distributions.

### Fund Management fee

The fund management fee is a single fixed rate charge to cover the underlying fees, costs and expenses of operating and administering the fund. It accrues daily and is calculated as a percentage of the net asset value of the fund. The underlying fees, costs and expenses covered by the fund management fee may fluctuate.

### Modified duration

A calculation that expresses the measurable change in the value of a security in response to a change in interest rates - (under analysis).

### Spread Duration

The Spread Duration measures the sensitivity of a security's price to changes in its Option Adjusted Spread (OAS) relative to the Treasury Curve.

### Ongoing charge

The ongoing charge figure represents the costs you can expect to pay annually based on last year's expenses. The ongoing charges figure is made up of various elements such as the fund management fee, professional fees, audit fees and custody fees. Performance fees (if payable) are not included in this figure.

### Performance fee

The percentage of any outperformance of the hurdle rate and/or benchmark that will be taken as a performance fee.

### Tracking error (%)

A measure of how closely the fund follows its benchmark. A passive fund should have a tracking error close to zero, while an actively managed fund would normally have a higher tracking error.

### Underlying yield

This reflects the annualised income net of expenses of the fund as a percentage of the share price of the fund on the date shown. It does not include the deduction of entry charges and is the gross return before tax on distributions.

### NAV

NAV is typically an End Of Day valuation using close of market prices to value the individual securities with the portfolio or fund, rolling up to a total portfolio or fund level.

## Important information

The source for all performance, portfolio and fund breakdown data is Morningstar unless indicated otherwise. For share classes that have not yet completed 5 years, the cumulative performance chart will start from the first full month. All data is as at the date of the Factsheet, unless indicated otherwise.

Unless stated otherwise any opinions expressed are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as personalised advice of any nature. This document should not be taken as a recommendation or offer by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. 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.

For further information please read the latest Key Investor Information Document and Supplementary Information Document. The Prospectus and the annual and interim reports are also available on request. Copies in English can be obtained, free of charge from Aviva Investors, PO Box 10410, Chelmsford CM99 2AY. You can also download copies at [www.avivainvestors.com](http://www.avivainvestors.com)

Issued by Aviva Investors UK Fund Services Limited, the Authorised Fund Manager. Registered in England No. 1973412. Authorised and regulated by the Financial Conduct Authority. Firm Reference No. 119310. Registered address: St Helen's, 1 Undershaft, London EC3P 3DQ. An Aviva company.

Bloomberg® and 40% Markit iBoxx Sterling Non-Gilts Index, 50% Bloomberg Global High Yield Index ex CMBS ex EMG 2% issuer capped (GBP hedged) and 10% JPM Emerging Markets Bond Index (GBP hedged) (the "Benchmark" or the "Index") are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Aviva Investors. Bloomberg is not affiliated with Aviva Investors and Bloomberg does not approve, endorse, review, or recommend the, Aviva Investors Managed High Income Fund. Bloomberg does not guarantee the timeliness, accuracy, or completeness of any data or information relating to Aviva Investors Managed High Income Fund.

The index referenced herein (the "Index") is the proprietary property of Markit North America, Inc., Markit Indices GmbH, Markit Equities Limited and/or its affiliates ("Index Provider") and has been licensed for use in connection with the fund (or other investment vehicle) or securities referenced herein ("Fund"). The Fund is not sponsored, endorsed or promoted by the Index Provider and the Index Provider does not make any warranties or representations on the accuracy, fitness or purpose or results to be obtained by using the Index and disclaims all liabilities in this regard. The Index provided by IHS Markit is subject to disclaimer currently available here (and as updated by IHS Markit from time to time): <https://ihsmarkit.com/Legal/disclaimers.html> and/or in the prospectus for the Fund.

All performance figures shown are up to the latest month end unless otherwise stated and are on a total return basis. Up to 05 April 2017, the figures include income reinvested after deducting basic rate income tax.

From 06 April 2017, income is reinvested without deducting this tax. This will impact fund performance figures post 06 April 2017.