

# Aviva Investors Sterling Government Liquidity Fund

## Monthly summary for October 2024



REPRESENTATIVE SHARE CLASS  
IE00BMG74T54

SHARE CLASS INCEPTION DATE  
15/09/2020

FUND SIZE  
GBP 4777.54m

### Fund overview

**Objective:** The investment objective of the Fund is to offer returns in line with money market rates and to preserve the value of the investment. The performance of the Sub-fund is measured against the Sterling Overnight Index Average (SONIA) Rate (the benchmark). The Aviva Investors Sterling Government Liquidity Fund is a Short-Term Low-Volatility Net Asset Value (LVNAV) Money Market Fund.

For further information on Sustainability Risk please refer to the Sustainable Finance Disclosure section

### Summary

Fund managers

**Richard Hallett** since 12/2008  
**Josh Bramwell** since 12/2021

Performance benchmark

**Sterling Overnight Index Average (SONIA) Rate**

### Month in review

The main market event was the first budget of the Labour administration, which saw a significant hike in the UK tax burden. In the fund, we increased duration on the portfolio in anticipation of rate cuts by investing in six-month T-Bills.

### Looking ahead last updated October 2024

The budget has shifted the market's outlook for UK interest rates, even though the Bank of England governor has commented that the pace of policy easing may be stepped up.

### Month in review

The month was dominated by the first budget to be delivered by the new Labour administration. The package of measures announced by chancellor of the exchequer Rachel Reeves on 30 October saw a £40 billion lifting of the overall tax burden, with capital gains tax and employers' national insurance contributions seeing notable hikes. These steps, together with a significant raising of government borrowing to in part help fund the NHS, were viewed by some as being likely to raise inflationary pressures and potentially lead the Bank of England (BoE) to take a more cautious approach to cutting interest rates. While economic growth was expected to see a short-term boost, longer-term projections from the Office of Budget Responsibility (OBR) saw its impact fading after two years. The UK base rate remained at 5.0% as there was no meeting of the BoE monetary policy committee meeting in October. The budget announcement aside, the case for another cut in November was strengthened by a further fall in consumer inflation to 1.7% according to data released for September. Survey data for the manufacturing sector flagged a contraction for the first time since April amid pre-budget caution among companies. Activity in the services sector continued to expand, but at a slower pace. In the fund, we increased duration on the portfolio in anticipation of rate cuts by investing in six-month T-Bills. Both the fund's weighted average maturity (WAM) and weighted average life (WAL) ended the month at 33 days. Assets under management were £4.75 billion.

### Calendar year returns

	2019	2020	2021	2022	2023
<b>Fund gross</b>	0.74%	0.20%	0.03%	1.29%	4.68%
<b>Fund net</b>	0.74%	0.20%	0.03%	1.29%	4.68%
<b>Benchmark</b>	0.56%	0.05%	0.02%	1.42%	4.79%

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

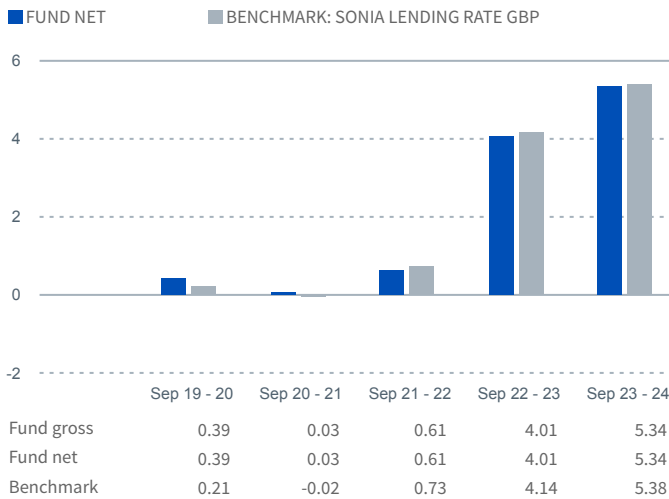
Performance basis: Mid to mid, in the share class currency, net of tax payable by the Fund with income reinvested. Net figures are net of ongoing charges and fees. Net and Gross performance does not include the effect of any exit or entry charge.

### Looking ahead last updated October 2024

The budget has shifted the market's outlook for UK interest rates, even though the BoE governor has commented that the pace of policy easing may be stepped up. The significant increase in the money supply led the OBR to raise its forecast for inflation, which it now anticipates rising to 2.5% on average in 2025 before falling back to the 2.0% target by 2029. The market downgraded its expectations for interest rate cuts to three quarter-point reductions by the end of 2025 from five before the budget. While the OBR has lifted its estimate for UK GDP growth for 2024 to 1.1% from 0.8%, it left its longer-term forecasts broadly unchanged. We have increased WAM in the anticipation of rate cuts and we will continue to add T-Bills at the auction. Adding duration to keep the fund's yield higher for longer may negatively impact the fund's current yield.

# Aviva Investors Sterling Government Liquidity Fund Monthly summary October 2024

## Rolling annual net performance (%)



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

Basis of performance is described on page 1.

## Performance

	Cumulative (%)					Annualised (%)		
	1M	3M	6M	YTD	1Y	3Y	5Y	Since Inception
<b>Fund gross</b>	0.40	1.26	2.60	4.38	5.30	3.44	2.12	-
<b>Fund net</b>	0.40	1.26	2.60	4.38	5.30	3.44	2.12	0.97
<b>Benchmark</b>	0.43	1.27	2.63	4.43	5.36	3.54	2.14	0.99

## Sustainable Finance Disclosure

Sustainability Risk indicators are considered alongside a range of financial and non-financial research, with no specific limits imposed, therefore the Investment Manager retains discretion over which investments are selected. Where practicable, the Investment Manager also seeks to apply the Baseline ESG Exclusions when selecting investments.

This product does not have a sustainable investment objective and the investment manager will consider the adverse impacts of an investment to the extent they are financially material. *For further information please refer to the prospectus and our website.*

## Fund risks

### Investment Risk & Currency Risk

The value of investments and the income from them will change over time. The Fund price may fall as well as rise and as a result you may not get back the original amount you invested.

### Money Market Securities Risk

The Fund invests in money market instruments such as short term bank debt, the market prices/value of which can rise as well as fall on a daily basis. Their values are affected by changes in interest rates, inflation and any decline in creditworthiness of the issuer.

This is not a guaranteed investment, an investment in a Money Market Fund is different from an investment in deposits and can fluctuate in price meaning you may not get back the original amount you invested. This investment does not rely on external support for guaranteeing liquidity or stabilising the NAV per unit or share. The risk of loss of the principal is to be borne by the investor.

### Sustainability Risk

The level of sustainability risk may fluctuate depending on which investment opportunities the Investment Manager identifies. This means that the fund is exposed to Sustainability Risk which may impact the value of investments over the long term.

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

## Important information

### THIS IS A MARKETING COMMUNICATION

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 Luxembourg S.A., 2 rue du Fort Bourbon, L-1249 Luxembourg or from BNY Mellon Fund Services (Ireland). You can also download copies at [www.avivainvestors.com](http://www.avivainvestors.com)

Where relevant, information on our approach to the sustainability aspects of the fund and the Sustainable Finance disclosure regulation (SFDR) including policies and procedures can be found on the following link: <https://www.avivainvestors.com/en-gb/capabilities/sustainable-finance-disclosure-regulation/>

Issued by Aviva Investors Luxembourg S.A. Registered Office: 2 rue du Fort Bourbon, 1st Floor, 1249 Luxembourg. Supervised by Commission de Surveillance du Secteur Financier. An Aviva company.