

# Aviva Investors

## Absolute TAA 5 Fund (Share class - A)

As at 31 May 2011



### Fund manager

Adrian Jarvis

Since 6 December 2007

Hassan Johaadien

Since 1 January 2011

### Benchmark

1 month EURIBOR

### NAV

9.89 EUR

### AUM

91.86 m EUR

### Fund base currency

EUR

### Fund codes Share class A

ISIN: LU0330654855

Bloomberg: AVITAEU LX

WKN: A0QZPQ

Sedol: B29J410

Valoren: 3625693

### Legal form

Sub fund of the Aviva Investors Luxembourg SICAV

### History

- Change of fund manager 1 January 2011
- As of 1 July 2010 the Aviva Investors SICAV has implemented Swing pricing. Refer to prospectus for full details.

### Fund Objective

The Sub-Fund pursues at all times and in relation to the entirety of the assets an absolute return strategy which means that its target is to achieve a positive return under all market conditions. The aim of the Sub-Fund is to generate long term capital appreciation and income by implementing active positions in a diversified range of assets including cash, equities, bonds, currencies and indirectly, property and commodities. Investments will be selected by the Investment Adviser with input from a team of specialist analysts and quantitative models.

### Fund Comment

Global stock markets moved sharply lower for most of May, with most markets down despite a month-end rally. By contrast bond markets had a strong rally led by US treasuries as economic news showed a continued loss of momentum, including disappointing employment and manufacturing data and very weak housing data. Leading indicators are still consistent with some growth, and corporate news remains a bright spot, but the declining momentum is now very broadly based.

With Europe also grappling with interlinked economic-debt-social-political problems (this time focused on Greece) investors became increasingly nervous and more risk averse. Within equities the rotation towards large cap and defensive sectors and away from cyclical confirms this caution, encouraged perhaps by recent painful memories of last year's growth slowdown and correction.

The deteriorating economic picture does at least support central banks being slower to raise rates than previously feared, especially with commodity and consumer price inflation moderating. This has helped add a further leg down in global bond yields.

For the fund, we were pleased to see that our hedges against rising risk aversion paid off in a month where our cautious bond stance lost out as slower growth led to a sharply slower path for interest rate rises being priced in. Overall we were slightly down in equities due to our modest overweight, sharply down in bonds thanks to our larger underweight, but the gain from our volatility hedge covered both of these. Elsewhere, some currency losses were in part mitigated by some good trading activity in a month where longstanding trends quickly reversed. Our short term interest rate positions gave some healthy gains.

The fund stance remains constructive on Asian currencies, slightly overweight equities (with downside protection) and cautious on government bonds (selectively). Our scenarios show that economic and market developments may remain choppy over the remainder of 2011 as the pause in economic growth develops. We have positioned for this, and are encouraged that recent developments in fundamentals are supporting our scenarios.

Overall a flat month for the fund.

Source: Aviva Investors/Bloomberg, as at 31 May 2011

Basis: US Dollar

### Fund Performance (%) Share class A

	Cumulative								Annualised		
	1 M	3 M	6 M	YTD	1 Y	3 Y	5 Y	Since launch	1 Y	3 Y	5 Y
Fund EUR	0.01	-2.20	-3.26	-3.49	-6.07	0.84	-	-1.07	-6.07	0.28	-
Benchmark EUR	0.11	0.26	0.46	0.40	0.77	4.62	-	6.84	0.77	1.52	-

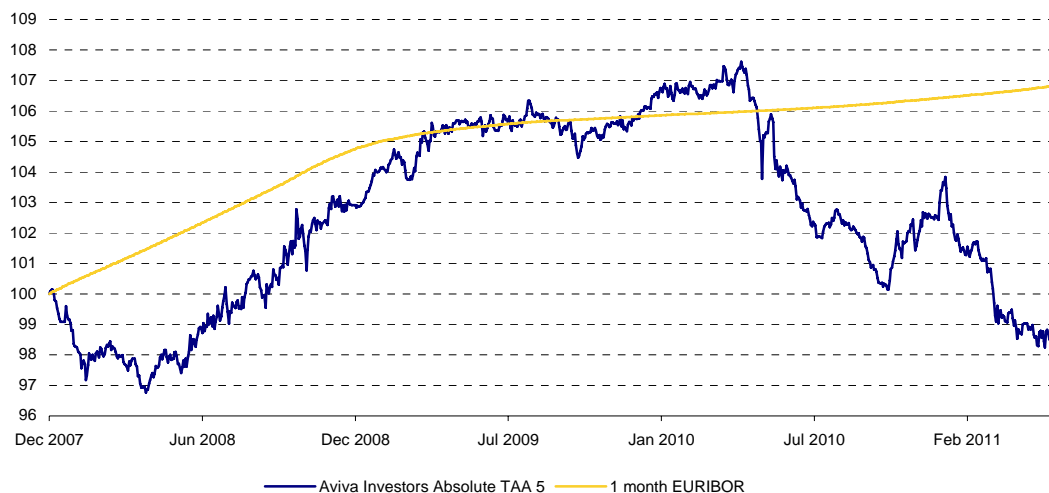
  

Calendar	2010	2009	2008	2007
Fund EUR	-3.41	3.17	3.73	-
Benchmark EUR	0.55	0.99	4.45	-

Source: Aviva Investors/Lipper, as at 31 May 2011

Basis: Net of fees, Share class - A, in EUR

### Fund Performance vs Benchmark (%)- 10 years or since launch (unless indicated otherwise)



Source: Aviva Investors/Lipper, as at 31 May 2011

Basis: Net of fees, Share class - A, in EUR

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## Absolute TAA 5 Fund (Share class - A)

As at 31 May 2011



### Launch date

6 December 2007

### Minimum investment Share class A

2,000 EUR

### Fees - Share class A

Management fee: 1.10% p.a.

Performance fee: 10.00% of net out-performance of benchmark

### Settlement

T +3

### NAV Calculation

18:00 CET

### Investment advisor

Aviva Investors Global Services Ltd

### Custodian

J.P. Morgan Bank Luxembourg S.A.

### Auditor

Ernst & Young S.A.

### Contact

info.lu@avivainvestors.com  
info.uk@avivainvestors.com

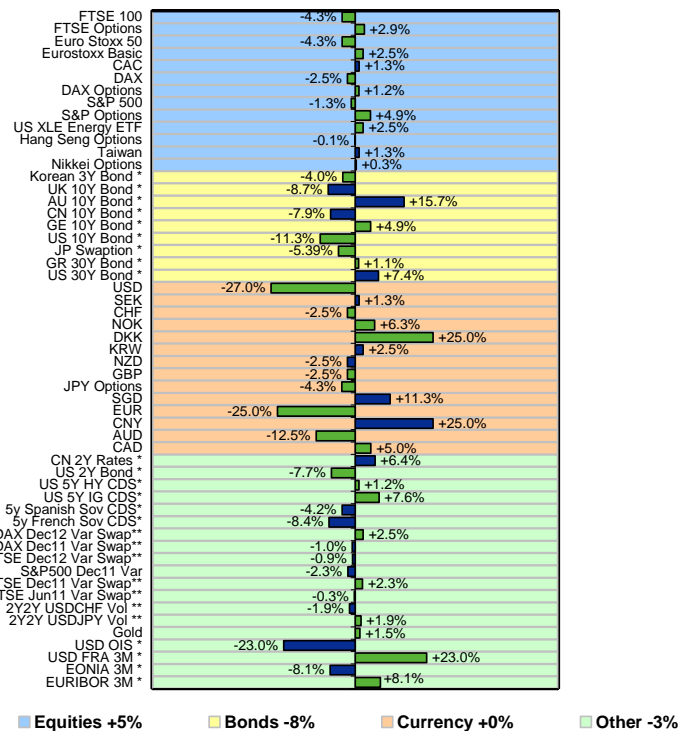
### Marketing and Distribution Agent

Aviva Investors Luxembourg SA  
34 avenue de la Liberté  
4th floor  
L-1930 Luxembourg

### Publication of NAV values

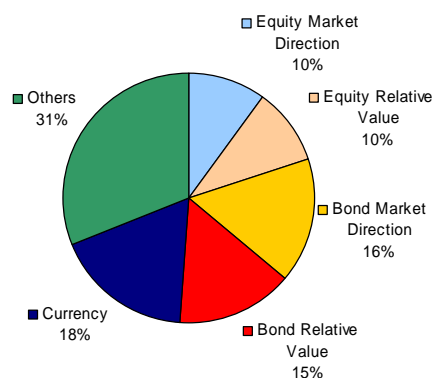
www.avivainvestors.com

### Target positions for Absolute TAA 5 Fund (LIBOR +3.75% p.a. net target)



\*The position sizes for these interest rate trades are duration-adjusted to match a US 10 year bond.

### Risk attribution for Absolute TAA 5 Fund (+3.75% p.a. net target)



Performance figures sourced from Lipper Hindsight and illustrated on a bid to bid, gross income reinvested basis in the currency shown. \*A & Ax class shares became available on 20 November 2006. Therefore performance figures prior to that date are based on the previously available P1 class shares. Past performance is not a guide to the future. The value of an investment in the fund can go down as well as up and can fluctuate in response to changes in exchange rates. Please refer to the current Prospectus for full details of the current fund range before investing. Other information sourced from Aviva Investors. The opinions expressed are based on the views of Aviva Investors Global Services Limited and should not be relied upon as indicating any guarantee of return from an investment in the fund. The information contained within this document should not be viewed as a recommendation to buy or sell stocks.

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Copies of the Full and Simplified Prospectus together with the Report and Accounts of the SICAV are available free of charge from the offices of Aviva Investors Global Services Limited at No.1 Poultry, London EC2R 8EJ or from Aviva Investors Luxembourg, 34 avenue de la Liberté, 4th floor, L-1930 Luxembourg. Registered in Luxembourg Nr. B25708. 11/0545/140911

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