

AVIVA INVESTORS

MULTI-STRATEGY TARGET RETURN FUND

AS AT 31 MAY 2018



KEY FACTS

INVESTMENT STRATEGY

The Fund aims to produce steady returns in all market conditions while seeking to preserve capital. It seeks to do this by using a multi-strategy approach, combining a range of global investment ideas. The ideas are implemented as strategies within the Fund. Some strategies are expected to perform well when financial markets rise, others when they fall, and a third group which look to generate returns while being indifferent to the direction markets take. The Fund strives to meet its objectives irrespective of the performance of a benchmark or peers. In doing so it makes significant use of derivatives. Where derivatives do not perform as expected or in adverse market conditions, the Fund could suffer substantial losses.

FUND MANAGER

Peter Fitzgerald
Since 1 July 2015

Dan James
Since 1 July 2015

Ian Pizer
Since 1 July 2015

Brendan Walsh
Since 30 October 2015

SHARE CLASS CURRENCY

AUD

SHARE PRICE

AUD 1.0434

FUND SIZE

AUD 483.25m

LAUNCH DATE

1 July 2015

FEES

Management Costs: 1.56% p.a of the Fund's Net Asset Value

HEDGED SHARE CLASS

Yes

The Fund will invest only in the Australian Dollar Hedged 'F' Share Class of the Aviva Investors Multi-Strategy Target Return Fund, a sub-fund of Aviva Investors SICAV, an open-ended investment company incorporated as a Société d'Investissement à Capital Variable in Luxembourg (the "Underlying Fund"). The Fund may also hold cash and cash equivalents. Except in respect of the left-hand panel on all pages of the document, the highlights and performance sections, all of the following references to the "Fund" in the document shall mean the Underlying Fund.

OBJECTIVES AND INVESTMENT POLICY

The objective of the Fund is to achieve a 5% per annum gross return above the European Central Bank base rate (or equivalent) over a 3-year rolling period, regardless of market conditions (absolute return).

The Fund invests mainly in equities, bonds, money market instruments and bank deposits from anywhere in the world. The Fund may also invest in regulated Funds. The Fund makes extensive use of derivatives for investment purposes.

The Investment Manager actively makes the investment selection decisions for the Fund.

You can buy and sell shares on any full bank business day in Luxembourg.

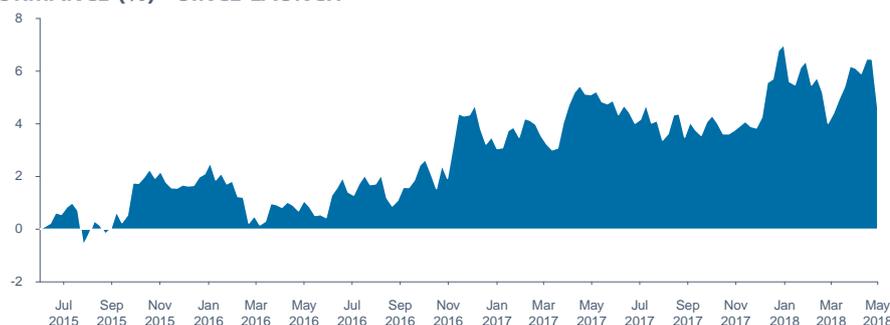
For full investment objectives and policy details please refer to the Prospectus.

Recommendation: this Fund is designed for investors who plan to invest for at least 5 years.

RISKS

- 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.
- **Counterparty risk:** The Fund could lose money if an entity with which it does business becomes unwilling or is unable to meet its obligations to the Fund.
- **Illiquid securities risk:** Certain assets held in the Fund could, by nature, 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.
- **Derivatives risk:** Derivatives are instruments that can be complex and highly volatile, have some degree of unpredictability (especially in unusual market conditions), and can create losses significantly greater than the cost of the derivative itself.
- **Leverage risk:** A small price decline on a "leveraged" underlying investment will create a correspondingly larger loss for the Fund. A high overall level of leverage and/or unusual market conditions could create significant losses for the Fund.
- **Currency risk:** Changes in currency exchange rates could reduce investment gains or increase investment losses. Exchange rates can change rapidly, significantly and unpredictably.
- **Multi-strategy risk:** Because the Sub-Fund is exposed to the risks of multiple markets and asset classes, there is a risk that some or all of its strategies may not perform or correlate as expected.
- **Hedging risk:** Any measures taken to offset specific risks will generate costs (which reduce performance), could work imperfectly or not at all, and if they do work will reduce opportunities for gain.
- Full information on the risks applicable to the Fund is detailed in the Prospectus.

PERFORMANCE (%) - SINCE LAUNCH



Past performance is not a guide to future performance

Source: Aviva Investors/Lipper, a Thomson Reuters company as at 31 May 2018

Basis: Mid to mid, gross income re-invested, net of fees, in Australian Dollar

AVIVA INVESTORS

MULTI-STRATEGY TARGET RETURN FUND

AS AT 31 MAY 2018



FURTHER INFORMATION

ACCESS TO FUNDS

Usually within five business days of receipt of a withdrawal request

INDUSTRY CODES

APIR: PIM002GAU
 ARSN: 605 042 288
 AFSL: 235150
 ABN: 45 003 278 831

MINIMUM INVESTMENT

AUD 500,000

INVESTMENT MANAGER

Aviva Investors Pacific Pty Ltd

CUSTODIAN

JPMorgan Chase Bank, N.A. (Sydney Branch)

AUDITOR

PricewaterhouseCoopers LLP

LEGAL FORM

An Australian registered managed investment scheme established as an Australian unit trust. Issuer: The Trust Company (RE Services) Limited

HIGHLIGHTS

- Over the month the Fund delivered an overall absolute return of -1.67%
- Political risks drove European and emerging markets lower, while the US dollar continued its recent appreciation
- Declines in European and emerging market equities, rising Brazilian rates and lower UK rates hurt Fund performance

PERFORMANCE (%)

	Calendar					Discrete Annual to last quarter end				
	2017	2016	2015	2014	2013	1Y	2Y	3Y	4Y	5Y
Fund	-0.54	2.85	-	-	-	0.85	3.27	-	-	-
RBA Cash Rate	1.51	1.83	-	-	-	1.51	1.70	-	-	-

	Cumulative							Annualised				
	1m	3m	6m	FYTD*	1Y	3Y	5Y	Since inception	1Y	3Y	5Y	Since inception
Fund	-1.67	-1.44	0.19	0.08	-0.74	-	-	4.34	-0.74	-	-	1.47
RBA Cash Rate	0.13	0.38	0.75	1.37	1.51	-	-	5.06	1.51	-	-	1.70

Past performance is not a guide to future performance

Source: Aviva Investors/Lipper, a Thomson Reuters company as at 31 May 2018

Basis: Mid to mid, gross income re-invested, net of fees, in Australian Dollar

*Financial year-to-date. The financial year runs from 1 July to 30 June. The performance figures under FYTD are for the period 1 July 2017 – 31 May 2018

COMMENTARY

The re-emergence of Italian political risk in May saw a flight to quality across developed markets. In addition, idiosyncratic risks in some emerging market economies, such as Argentina and Turkey, were the catalyst for a more broad-based sell-off in emerging market assets. Performance was negatively impacted by the sell-off in European banks, which were adversely impacted by Italian political concerns. The troubles in Europe saw relative safe-haven sovereign yields fall, which alongside the Bank of England's decision to leave rates on hold, negatively impacted our short in long-dated gilts. US inflation was also negatively impacted by the rise in demand for US Treasury bonds. Amongst our emerging market exposures, our position favouring Brazilian government bonds was negatively impacted by the rapid change in sentiment following domestic strike action and the implications for the federal election in October. More broadly, emerging market assets generally detracted from performance in May.

During May, we also added a position anticipating weakness in the Australian dollar, reflecting our expectation that the Reserve Bank of Australia is unlikely to raise rates until mid-2019 and the rising risks of a material slowing in credit growth.

AVIVA INVESTORS

MULTI-STRATEGY TARGET RETURN FUND

AS AT 31 MAY 2018



FUND STRATEGIES

The Fund invests in a wide range of strategies which combine to diversify the risk in the Fund and to help the Fund perform in many different market conditions. By combining strategies, the fund managers aim to generate lower risk than the sum of the risks of each individual strategy.

PORTFOLIO RISK AND RETURN ANALYSIS

The table below shows how much of the Fund is made up from each risk factor and the contribution each has made to returns.

This gives you a breakdown of the performance of the strategies so you can see where Fund performance has come from.

Risk factor	Strategy	Stand-alone Risk Exposure %	Weighting (risk-based%)	Contribution to returns %	
				May	1 year
Duration	Short UK long-end rates	1.56	9.23	-0.23	-0.27
	Long Brazilian rates	1.33	7.86	-0.50	-0.00
	Short EUR long-end rates	0.93	5.52	-0.06	-0.17
	US front-end yield curve steepener	0.82	4.86	-0.05	-0.05
	Short US rates	0.80	4.73	-0.25	-0.25
	US rates payer spread	0.55	3.24	-0.04	-0.16
	Long Indian rates	0.37	2.18	-0.08	-0.10
	Long developed market rates	0.29	1.74	0.05	-0.28
	US long-end yield curve steepener	0.21	1.21	0.02	-0.03
	Japanese yield curve steepener	0.18	1.08	-0.01	-0.02
Inflation	Korean yield curve steepener	0.08	0.49	0.01	0.02
	Short UK inflation	0.88	5.18	0.03	-0.08
	Long US inflation	0.64	3.80	-0.20	0.75
Currency	Long Europe inflation	0.57	3.35	0.09	0.10
	Long INR	0.32	1.92	0.03	0.19
Credit	Long Mexico	0.31	1.81	-0.08	-0.41
	Short AUD v USD	0.29	1.74	-0.05	-0.05
	Long USD v TWD	0.20	1.19	0.08	0.16
	Long USD v SAR	0.13	0.75	-0.03	-0.27
	Long TRY v USD	0.04	0.23	-0.09	-0.52
	Long Indonesian bonds	0.50	2.94	0.10	0.02
Equities	Long North America credit	0.08	0.44	-0.01	0.04
	Long global financial equities	1.57	9.29	-0.66	-0.72
	Long Global equities	1.27	7.50	0.07	0.81
	Long European equities	0.99	5.88	-0.00	0.44
Property	Long Emerging Market equities	0.46	2.73	-0.19	-0.01
	Long Japanese REITs	0.59	3.47	0.04	0.13
Volatility	Long US Rates Volatility	0.38	2.24	0.09	-0.12
	Long China v US variance	0.24	1.41	-0.00	-0.08
	Long Japan v US variance	0.08	0.48	0.01	-0.03
	Long Europe v US variance	0.08	0.46	0.06	-0.28
Cash	Cash and Currency Hedge	0.17	1.03	-0.11	-0.10
Closed Positions		0.00	0.00	0.17	-0.66

Past performance is not a guide to future performance

Source: MSCI Riskmetrics, as at 31 May 2018. Risk Basis: Includes all holdings, cash & derivatives, base currency Euro
Risk data shown is based on annualised standard deviation

Effective observation period (history) of risk factors of at least one year. Includes idiosyncratic risks & takes account of basis risks, and second-order and nonlinear risks

Attribution Basis: Includes all holdings, cash & derivatives, base currency Australian Dollar

FX Allocation Hurdle Rate - Base Currency Deposit Rate. Funding Cost Hurdle Rate -Negative Average Deposit Rate Of Currencies in Benchmark

Local Allocation Model - Total Return Allocation. Weight/Normalisation - Net Market Value

Note: Data shown is for the Aviva Investors - Multi-Strategy Target Return SICAV

Risk Type Glossary

Stand-alone Risk Exposure – is the volatility associated with a single strategy or asset

Contribution to returns – is the breakdown of the return within the given investment universe

Weighting (risk-based %) – is the stand-alone volatility as a percentage of the undiversified volatility of the Fund

AVIVA INVESTORS

MULTI-STRATEGY TARGET RETURN FUND

AS AT 31 MAY 2018



IMPORTANT INFORMATION

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. The Product Disclosure Statement (PDS) is available from Aviva Investors Pacific Pty Ltd. Business Address: Level 30, 35 Collins Street, Melbourne VIC 3000, Australia. The PDS is available in English. Full terms and conditions of Aviva Investors products and services are available on request.

The Aviva Investors Multi-Strategy Target Return Fund intends to invest a significant proportion of its assets in an underlying fund which in turn invests 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 to future performance.

Aviva Investors Pacific Pty Ltd, a company incorporated under the laws of Australia with Australian Business No. 87 153 200 278 and Australian Company No. 153 200 278, holds an Australian Financial Services License (AFSL 411458) issued by the Australian Securities and Investments Commission. Business Address: Level 30, 35 Collins Street, Melbourne VIC 3000, Australia.

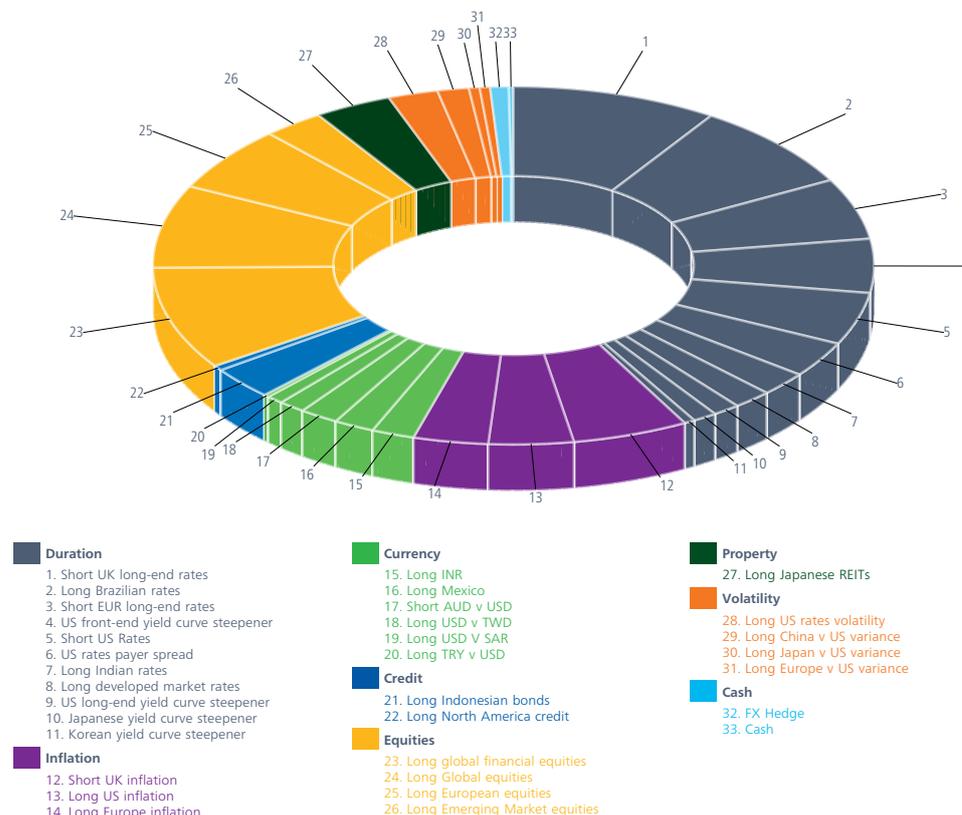
The distribution and offering of financial products and services is restricted by law in many jurisdictions. This document is intended only for use in Australia and should not be relied on in any other jurisdiction.

TV101_18122018

PORTFOLIO RISK BREAKDOWN BY STRATEGY

POSITIONAL STAND-ALONE STANDARD DEVIATION

Annualised Volatility: 7.08%



Past performance is not a guide to future performance

Source: MSCI Riskmetrics, as at 31 May 2018. Risk Basis: Includes all holdings, cash & derivatives, base currency Euro

Risk data shown is based on annualised standard deviation

Effective observation period (history) of risk factors of at least one year. Includes idiosyncratic risks & takes account of basis risks, and second-order and nonlinear risks

Attribution Basis: Includes all holdings, cash & derivatives, base currency Australian Dollar

FX Allocation Hurdle Rate - Base Currency Deposit Rate. Funding Cost Hurdle Rate - Negative Average Deposit Rate Of Currencies in Benchmark

Local Allocation Model - Total Return Allocation. Weight/Normalisation - Net Market Value

Note: Data shown is for the Aviva Investors - Multi-Strategy Target Return SICAV