

Aviva Investors Premier Fixed Income Fund



Fund Manager of the Year
Australia

Key features

- The fund is a broadly diversified fixed income fund offering exposure to full set of fixed income and credit markets
- Aviva Investors has a truly global presence with asset managers located in the UK, Europe and the US
- The fund has a long-term track record of active management through many market cycles
- The portfolio is well suited to times of equity market volatility

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The Aviva Investors Premier Fixed Income Fund is a diversified fixed interest fund with the ability to add value by accessing a full set of domestic and global fixed income opportunities

Why diversified fixed interest ?

Diversified fixed interest funds are an attractive proposition for investors because:

- they provide strong diversification benefits when combined with equities in a portfolio. Bonds can offset equity risk, because there is a negative correlation between bonds and equities
- bonds and credit remain attractive. The Premier Fixed Income Fund has the ability to make strategic investment allocations to these sectors both domestically and globally.
- the fund allows investors to access investment opportunities in sectors that are generally not available through a traditional fixed income funds.

Why Aviva Investors ?

Aviva Investors has one of the largest London-based fixed income teams and our affiliates in the US and Europe add to the scale and resources of our operations. We draw further insights from Aviva Investors' strategy team which provides specialist research on developments in the global economy.

At Aviva Investors we firmly believe that the improved global reach and access to additional resources will provide investors with an improved and fully diversified fixed income offering, capable of exploiting market inefficiencies across the full fixed income set while still maintaining a domestic focus for investors.

Investment objective

The fund invests in a portfolio of high quality Australian and global fixed interest securities and cash.

It aims to provide investors with regular income whilst preserving capital. It aims to outperform its Benchmark over a rolling three year period by investing in a broadly diversified portfolio of fixed income securities (both domestically and globally)

Investment philosophy

At Aviva Investors we believe that fixed income markets are inefficient and opportunities exist between and within markets to add value through active management.

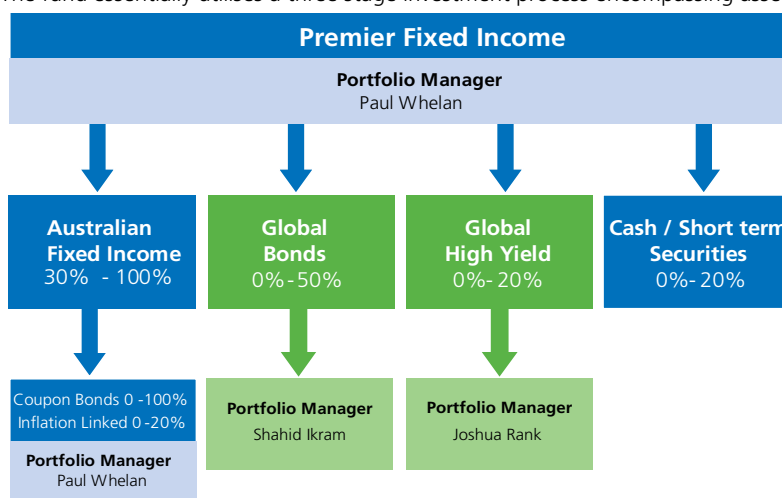
We achieve this through top-down and bottom-up research based on:

1. Blending independent research with experienced fund management through dedicated specialist teams
2. Utilising a mixture of fundamental, technical and quantitative analysis to manage portfolios.
3. Having an understanding of all risk aspects from a multi-dimensional perspective.

Portfolio management structure

The fund can access the full suite of our fixed income capabilities through allocations to various fixed income asset classes. This ensures that the fund can access to specialised investment managers for each asset class.

The fund essentially utilises a three stage investment process encompassing asset



allocation management of Australian fixed interest, global bonds and high yield. The fund structure has the ability to access a full suite of fixed income capabilities this allow for further diversification and enhanced returns.

Aviva Investors Premier Fixed Income Fund at a glance

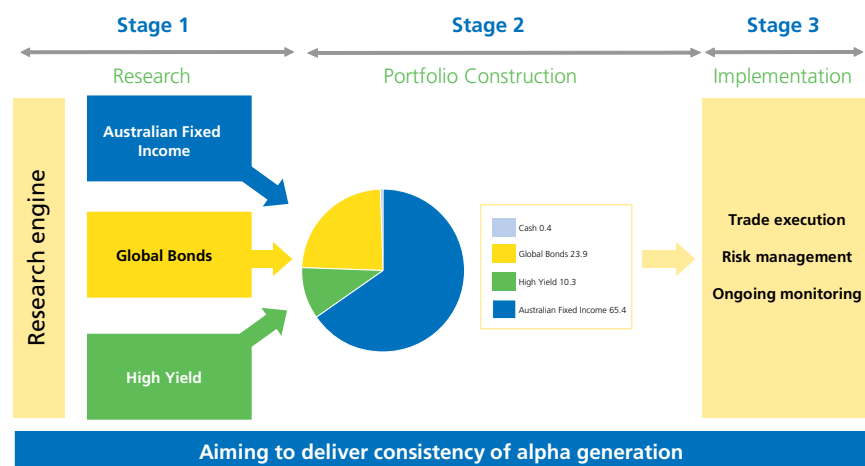
Investment process

Aviva Investors seeks to add value across all areas of the investment process via a top down process. Starting from a neutral asset allocation position, the Portfolio Manager determines a strategic 'through the cycle' allocation to each sub-component of the fund, this is implemented by credit and sovereign team via an asset allocation strategy.

	Minimum	Benchmark Allocation	Maximum	Investment Type
Australian fixed income	30%	75%	100%	Australian fixed income, largely high quality assets
Coupon bonds	0%	75%	100%	
Inflation-linked bonds	0%	--	20%	
High yield securities	0%	-	20%	Predominantly North American sub-investment grade credit
Global bonds	0%	25%	50%	Global sovereign, currencies, credit; sector and asset rotation; and mortgages
Cash/short-term securities³	0%	0%	20%	Cash-at-bank, term deposits, bank bills

Sector allocation is determined by combining our analysts bottom up qualitative process with a top down quantitative model.

Within the Australian fixed income and global bond allocations, alpha is provided from duration management, allocations in credit sector and sovereign market, and yield curve management.



How to use this fund

Diversified fixed interest fund such as the Aviva Investors Premier Fixed Income Fund, blend exceptionally well with equities as part of a balanced and well diversified portfolio.

Fixed Interest generally provides the following key benefits to investors.

An Income stream with quarterly distributions.

Capital stability – offsets against equity risk, as bonds and equities are negatively correlated.

Enhances diversification benefits when combined with equities in a portfolio

Allows investors to efficiently access both domestic and global markets via a single diversified fund.

Fund details

Inception date:
31 May 2000

Fund size at 30 June 2011
\$85.94 million

Benchmark:
75% UBS Australia Composite Bond Index and 25% Barclays Capital Global Aggregate Index (hedged into A\$)

Investment timeframe:
At least 3 years

Relative Risk:
Low

Relative Return:
Medium

Minimum Investment:
\$20,000

Minimum additional investment:
\$5,000

Distribution:
Quarterly

Entry fee:
Nil

Exit fee:
Nil

Management fee:
0.48% p.a.

Availability:
BT Wrap, Macquarie Wrap, Navigator, IOOF and Colonial First Wrap

Ratings:
Lonsec* – Investment Grade

Portfolio Managers



Paul Whelan
Credit Fund Manager

Key responsibilities: Paul is responsible for managing fixed income credit portfolios and for construction of diversified fixed income portfolios. Paul is Portfolio Manager of the Premier Fixed Income Fund and manages the Australian fixed income allocation.

Years with the group: 1

Years of industry experience: 9

Previous roles: Paul previously worked at Henderson Global Investors as a Fixed Income Fund Manager. Paul began his investment career at UBS Asset Management where he held the roles of Fixed Income Fund Manager and Portfolio Manager.

Qualifications: BSc, IMC and CFA and is a member of UKSIP AIMR.



Shahid Ikram
Deputy CIO, Fixed
Income

Key responsibilities: Shahid is Deputy CIO, Fixed Income and Head of Sovereign Bonds and Absolute Return

Years with the group: 20

Years of industry experience: 20

Previous roles: Shahid joined the firm in 1990 after working at the National Bank of Kuwait. He progressed from gilt fund manager to Head of UK sovereign bonds. In Feb 2003 he launched the Aviva Investors G7 hedge fund. Since then, Shahid has been appointed Deputy CIO, Fixed Income and Head of Sovereign Bonds and Absolute Return.

Qualifications: BSc (Hons) in Mathematics and is an associate member of the Institute of Investment Management and Research (IIMR)

For further information, please contact:

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- visiting www.avivainvestors.com.au

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