

# Aviva Investors Sterling Liquidity Plus Fund

## Quarterly review for the three months to 30 June 2025



REPRESENTATIVE SHARE CLASS  
IE00B24F3V65

SHARE CLASS INCEPTION DATE  
26/11/2007

FUND SIZE  
GBP 1625.14m

### Fund overview

**Objective:** The Fund aims to provide an investment return with a low level of capital volatility whilst maintaining liquidity. The performance of the Sub-Fund is measured against Sterling Overnight Index Average (SONIA) Rate(the benchmark).

For further information on Sustainability Risk please refer to the Sustainable Finance Disclosure section. On 14th May 2021 the Fund benchmark was changed from 7-Day LIBID rate (The London Interbank Bid Rate LIBID) to the Sterling Overnight Index Average (SONIA) rate. Historic benchmark performance is shown up to 14th May 2021 for the 7-Day LIBID rate.

### Summary

Fund managers **Todd Cutting** since 07/2024  
**Alexander Ieri** since 11/2024

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

### What happened in the market

Although fiscal and tariff uncertainties remained high, the UK economy performed resiliently. Against a backdrop of strong demand, asset-backed security spreads tightened over the quarter.

### Performance

The fund's weighted average life ended the quarter at 506 days, while its assets under management were higher at £1.70 billion. The fund's yield declined in line with the Bank of England rate cut in May.

### Looking ahead

Uncertainty hangs over the economy as the government's fiscal plans have been disrupted in parliament. For the moment, the collateral backing securitised assets remains reasonably firm.

### What happened in the market

Sterling money market yields eased lower in the second quarter, reflecting both a 25 basis point base rate cut to 4.25% at the May monetary policy committee (MPC) meeting and expectations of perhaps two further reductions by the end of the year. Overall, the MPC continued its slow and steady approach, being mindful of the inflationary pressures that remained present in the economy, as evidenced by the April CPI reading of 3.5%. The potential for President Trump's tariffs to ramp up inflation was seen as a clear threat, although worries eased somewhat as the UK and US signed a trade deal in June. Overall, despite fears that the controversial October budget would stall the economy, UK growth in the first quarter was reported to be the strongest of the G7 nations at 0.7%, up from 0.1% in the final quarter of 2024. By the end of the quarter, the manufacturing PMI reading showed improvement but remained in contractionary territory.

### Calendar year returns

	2020	2021	2022	2023	2024
Fund gross	0.96%	0.52%	1.42%	5.42%	5.77%
Fund net	0.86%	0.42%	1.32%	5.31%	5.66%
Benchmark	0.06%	0.01%	1.42%	4.79%	5.27%
	2015	2016	2017	2018	2019
Fund gross	0.65%	0.93%	0.71%	0.81%	1.14%
Fund net	0.55%	0.83%	0.61%	0.71%	1.04%
Benchmark	0.37%	0.27%	0.15%	0.45%	0.57%

**Warning:** 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.

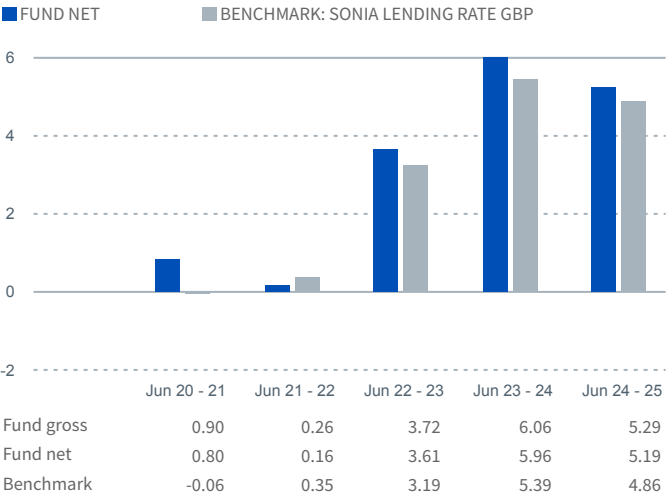
In April, we added to non-UK covered bonds and, after seeing good value in the wake of President Trump's Liberation Day announcement, short-dated auto asset-backed securities (ABS). In May, we continued to add to non-UK covered bonds, which is reflected in the gradual increase in the proportion of covered bonds in the portfolio since the start of the year. Activity picked up in the primary ABS market, with two prime retail mortgage-backed deals and one consumer deal pricing in May. However, we did not participate in any of these new issues as ABS spreads have continued to grind tighter relative to covered bonds. In June, ABS spreads continued to tighten given strong demand. We continued to look towards non-UK covered bonds and short-dated auto ABS. The fund's weighted average life ended the quarter slightly lower at 506 days, while its assets under management were slightly higher at £1.70 billion. The fund's yield declined in line with the Bank of England (BoE) rate cut.

### Looking ahead

The UK May inflation report was broadly in line with expectations, as well as BoE projections, regarding headline rates. However, underlying measures pointed to improvement. First, the headline services inflation decelerated (though still higher than the level consistent with target inflation at circa 3.5%); second, core services (excluding airfares, package holidays and education) declined from 5.2% to 4.6%, the lowest reading since March 2022. Third, trimmed mean inflation decelerated further, in line with core services. All this should be welcomed by the MPC. The Bank of England is maintaining a gradual and careful approach as expected. However, it should be noted that language around employment became more dovish, with the MPC saying "...the labour market has continued to loosen, leading to clearer signs that a margin of slack has opened up over time". In the fund, the allocation to ABS has gradually reduced from around 40% at the start of the year to 35% at month end as spreads have continued to tighten on the back of strong demand. Covered bonds remain attractive versus ABS and the allocation has increased from just under 30% to 36.5%.

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## Rolling annual net performance (%)



**Warning:** 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	5Y	10Y	Since Inception
Fund gross	0.42	1.23	2.53	2.53	5.29	3.22	2.04	1.82
Fund net	0.42	1.21	2.48	2.48	5.19	3.12	1.93	1.72
Benchmark	0.35	1.10	2.25	2.25	4.86	2.72	1.53	1.34

## Sustainable Finance Disclosure

The Sub-Fund seeks to promote environmental and social characteristics, ESG considerations, and an evaluation of Sustainability Risks and good governance principles are integrated when selecting investments. The investments, where it is possible, will be aligned with the environmental/ social characteristics and will be selected based on specific ESG investment criteria outlined within the Prospectus. There may on occasion be investments used for hedging and efficient portfolio management purposes which are not possible to be aligned with the environmental or social characteristics described.

The Fund does not have a sustainable investment objective, and the Investment Manager will consider 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

**Warning - 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.

**Warning - 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.

**Warning - 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).

**Note for UK Investors in relation to the Sterling Liquidity Plus Fund :** This Fund is domiciled in Ireland and is authorised by the Central Bank of Ireland. The Fund is recognised in the UK under the Overseas Funds Regime but is not a UK- authorised Fund and therefore is not subject to UK sustainable investment labelling disclosure requirements. UK investors should be aware that they can make a complaint about the fund, its management company, or its depositary. However, complaints may not be eligible for resolution by the UK's Financial Ombudsman Service and any claims for losses related to the management company or depositary will not be covered by the Financial Services Compensation Scheme (FSCS). UK investors should consider seeking their own financial advice before making any decisions to invest and refer to the scheme prospectus for further information.

## 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.

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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/>

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