

Corporate Credit > Europe Investment Grade



Aviva (old Friends Life)

Updated: Sep 28, 2015

Trade Idea:

- ▶ Hold

Investment Rationale:

- ▶ Insurer and provider for pensions solutions, mainly operating in the UK with improving fundamentals.
- ▶ H1 results were strong. Business risk is considered to be moderate.
- ▶ USD denominated
- ▶ Upper Tier 2 instrument, coupons could be optimal upon dividend pusher. Maturity is perpetual with call in Nov- 2018.
- ▶ **Despite the deal is closed there is still room for further compression. Aviva recently announced to refinance front-debt positions which underpins high call motivation.**
- ▶ **The instrument is highly attractive on a 3.8% yield level. The current yield compensates versus potential \$ rate hikes.**

Recommendation(s)*:

View	Trade Horizon	Ticker	Coupon	Maturity	S&P	Moodys	Ccy	Issue Size	Yield	Entry Spread	Target Spread	Risk Level	Cash Price	Isin	Capital Structure
outperform	12m	AVLN	7.875	11/8/2018	BBB+	#N/A N/A	USD	575.00	3.8	282	220	350	111.80	XS0851688860	UpperTier2

* Levels as of 09/28/2015