

# Enhanced Diversification

## Managed Portfolio Service - Portfolio 4

Monthly Investment Strategy - August 2019



**Aberdeen Standard Capital's Enhanced Diversification Managed Portfolio Service (MPS) Portfolio 4 seeks to provide a total return from income and capital. The Portfolio is designed to be appropriate for investors with a medium attitude to risk.**

### Key Facts

Expected Risk (volatility): 7.5 - 11.5%

Our MPS risk scale:



### Risk profile

The investment strategy for Portfolio 4 seeks to provide a total return from income and capital. It's likely to be suitable for clients who are prepared to accept a Medium level of risk during the term of their investment.

Aberdeen Standard Capital believes this could apply to clients who would like their investments to grow by more than they would in a deposit account over the long term, but also want to minimise the possibility of their investments falling in value. Under normal circumstances, they would prefer to avoid swings in the value of their portfolio.

This remains an investment management service, and there is risk involved in this portfolio. A secure cash product may be more appropriate for the most conservative clients.

Remember, investors could get back less than they invested.

- ▶ Suitable for investors with basic investment knowledge.
- ▶ Suitable for investors wanting to preserve capital.
- ▶ Suitable for investors seeking to grow their assets and generate income, over a period of at least 5 years, with easy access to their cash.
- ▶ Suitable for investors who are looking to invest in a standalone portfolio.
- ▶ Only suitable for clients of Aberdeen Standard Capital who have received a recommendation from a financial adviser.

### Investment strategy

Aberdeen Standard Capital's Enhanced Diversification Managed Portfolio Service gives clients access to the portfolio construction and risk management skills of Aberdeen Standard Capital's Investment Team.

In the initial stages of the investment process the Investment Team uses independent strategic asset allocation optimisation by Moody's Analytics. They combine this with tactical insights from the Multi-Asset Investing Team at Aberdeen Standard Investments\*.

This analysis forms a framework for the Investment Team to select funds. They implement an agile, blended approach to fund selection. This approach utilises a blend of active and passive exposures, depending on the Investment Team's views of which asset classes are likely to offer scope for managers to outperform versus those where a lower cost solution is preferred. The fund selection process involves both quantitative research and qualitative research, including face-to-face meetings with fund managers. It also leverages the considerable expertise of the Aberdeen Standard Investments Multi-Manager Strategies Team.

The Enhanced Diversification portfolios combine traditional investments with the Standard Life Investments Active Overlay Fund, providing access to non-traditional return-seeking strategies. The approach seeks to enhance returns and reduce portfolio volatility through diversification. The Standard Life Investments Active Overlay fund is managed by Aberdeen Standard Investments exclusively for Aberdeen Standard Capital.

*\*Aberdeen Standard Capital is the discretionary investment management arm of Aberdeen Standard Investments. Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.*

### Aberdeen Standard Capital and the MPS Investment Team

#### Darren Ripton Head of Investment

Darren Ripton assumed responsibility for the day-to-day investment process in 2009, after joining the company in 2007 as a Client Portfolio Manager. He has been integral to developing the fund selection and portfolio construction process that is used by the business. Darren has twenty years' investment experience, seven of which were spent managing discretionary mandates with ABN Amro Private Bank. His role there included the oversight of all investment funds used within mandates in London, Jersey and Gibraltar offices. He is a Chartered member of the Chartered Institute for Securities and Investment and holds a BSc from the University of Hertfordshire.

#### Eric Louw Investment Manager

Eric Louw is an Investment Manager for Aberdeen Standard Capital and has been with the company since September 2007. He holds the Investment Management Certificate, post graduate degrees in Financial Accounting and Financial Analysis & Portfolio Management and is a CFA charterholder. Prior to joining the company, Eric worked at UBS Wealth Management, where he was involved in a major asset transfer project, and at ABN Amro Private Bank, where he was a member of the team responsible for the discretionary management of onshore accounts.



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## Enhanced Diversification Portfolio 4 breakdown

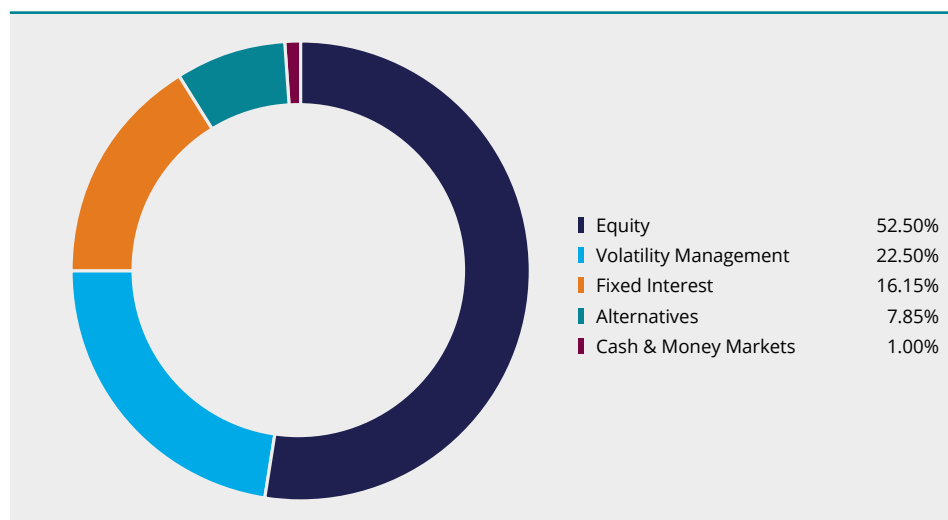
Holding	Weights (%)*	Holding	Weights (%)*
Vanguard UK Govt Bond Idx I PI I£	7.34%	Baring Europe Select I Inc GBP	0.62%
Fidelity Institutional UK Corporate Bond	1.91%	Fidelity European I Inc	1.87%
Nomura US High Yield Bond	1.95%	Invesco Perp Eurpn Eq Income Y I	1.87%
Barings European High Yield Bond B GBP Dist	1.95%	Schroder European L Inc	1.87%
NB Emg Mkt DtLcl Cur I4 Uhg I	1.80%	Fidelity Asia W Acc	2.64%
StanLife Inv EM Lcl Cur Dbt KUhg A£	1.20%	L&G Japan Index Trust C Inc	3.77%
Artemis Income I Inc	3.15%	First State Global Listed Infrastructure	3.93%
JPM UK Equity Core E Inc	4.73%	Legg Mason RARE Infrastructure Value Fund	3.93%
Majedie UK Equity X Inc	4.73%	Stan Life Inv Actv Ovrlly M Inc	22.50%
Investec UK Alpha J Inc GBP	3.15%	Cash	1.00%
Vanguard US Equity Index P I	24.10%	<b>Total</b>	<b>100.00</b>

Holdings referred to relate to the Aberdeen Standard Capital MPS managed via the Standard Life WRAP platform. Differences in holdings may occur on other platforms due to fund and shareclass availability.

\* The data is rounded to 2 dp and small variances to totals may occur.

Source : Aberdeen Standard Capital

## Enhanced Diversification Portfolio 4 asset class breakdown



The portfolio constituents and performance may vary on other platforms.

The portfolio has not been available on all platforms since inception.

This factsheet does not provide individually tailored advice. It has been prepared without regard to individual financial circumstances and objectives of persons who receive it. We recommend that investors seek the advice of a financial adviser. The appropriateness of a particular portfolio will depend on an investor's individual circumstances and objectives.

Investors should remember that the value of investments and the income from them can go down as well as up and that past performance is not a guarantee of future returns.

Please note that the Portfolio and Asset class breakdowns shown on this page are based on Aberdeen Standard Capital MPS hosted on the Standard Life WRAP platform. The data is correct as at 31/08/2019.

The Active Overlay Fund is designed to be used part of a strategic approach to individual client wealth objectives and should not be considered as a stand-alone investment.

The Fund is designed to act as a complementary diversifying influence on a Aberdeen Standard Capital global equity allocation.

The use of derivatives in the funds may result in increased volatility in their fund prices.

Due to the leveraged nature of derivatives, gains and losses can be greater than associated with traditional investment instruments. The funds will have the ability to hold short derivative positions. This means that the funds will not necessarily follow market trends i.e. if stock markets rise the funds may not do so at the same rate, or at all.

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