MyPortfolio Due Diligence Report

Quarter 2 2019

This document is for investment professionals only and should not be distributed to or relied upon by retail clients.

About Aberdeen Standard Investments

Aberdeen Standard Investments (ASI) is dedicated to helping investors around the world reach their desired investment goals and broaden their financial horizons. We seek to provide world-class investment expertise across a breadth of markets and asset classes. Our full range of solutions span equities, multi-asset, fixed income, liquidity, sovereign wealth funds, real estate and private markets. Coupled with a range of investment approaches, from quantitatively-managed 'smart beta' to highly active alpha-seeking strategies, we transform new investment ideas into practical investment products designed to deliver real value for money to investors.

We have one of the world's largest teams of investment professionals with approximately 1,000 portfolio managers, analysts and product, risk and trading specialists located globally ensuring close proximity to our clients and the markets in which we invest. In addition, we have around 500 client specialists working closely with investors and professional advisors to understand their goals and deliver innovative, world class investment solutions. Today, we manage £505.1 billion of assets on behalf of governments, pension funds, insurers, companies, charities, foundations and individuals across 80 countries (as at 31 December 2018). The largest active asset manager in the UK, we are also one of the top five asset managers headquartered in Europe and one of the biggest active asset managers worldwide not owned by a bank. As a responsible global investor, we leverage our scale and market leadership to raise standards in both the companies and industries in which we invest, and drive best practice across the asset management industry.

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

MyPortfolio Investment Process

The Aberdeen Standard Investments MyPortfolio Separately Managed Accounts (SMAs) are managed by the same experienced and successful Multi-Manager Strategies Team that has been running the MyFolio funds since 2010.

Leading the team are the vastly experienced multi-manager specialists Bambos Hambi, Head of Multi-Manager Strategies at Aberdeen Standard Investments. On a day to day basis the SMAs will be managed by Senior Investment Manager Matthew Webber.

Strategic Asset Allocation

The Strategic Asset Allocation (SAA) for the funds is determined by Aberdeen Standard Investments in consultation with Moody's Analytics, a world leader in financial risk modelling. The SAA is formally reviewed on a quarterly basis on completion of the Moody's Analytics analysis.

Moody's Analytics undertake a risk/return optimisation process using the appropriate strategic asset classes as agreed with Aberdeen Standard Investments and make recommendations to Aberdeen Standard Investments as to the optimum strategic mix of those assets. The mix of assets is constrained to ensure a suitably diversified portfolio is achieved. The constrained optimisation process uses a 10 year time horizon to construct the strategic asset allocation benchmarks with the aim of generating optimal returns for each level of risk over the period.

SAA for MyPortfolio Index Plus and Select

For the Index Plus and Select ranges there is an additional step. Aberdeen Standard Investments believe that alternative strategies offer an extra valuable source of diversification. It should be noted that due to the asset management strategies adopted in some alternative investment strategies, traditional "long only" modelling techniques are less relevant for strategic asset allocation purposes.

Fund Selection

MyPortfolio Index

Fund selection for the Index SMA is primarily centred on Aberdeen Standard Investments' range of index tracker funds which aim to replicate the performance of the strategic asset class benchmarks. The key selection criterion is confidence in the underlying funds to deliver a low tracking error at a competitive price.

A combination of defensive and growth assets are used to try and achieve the best possible return for each level of risk. The solution does not allocate to direct property investments although it may invest in property securities.

MyPortfolio Index Plus

The funds selected for the Index Plus SMA come from a range of Aberdeen Standard Investments funds, as well as funds managed by other managers in some circumstances. Aberdeen Standard Investments' funds include traditional index trackers, enhanced-index funds and some actively managed funds. Enhanced-index funds aim to generate a higher return than that of the strategic asset class benchmarks. There is a wide range of quality funds available across the majority of the asset classes. Where there is not a suitable Aberdeen Standard Investments fund the Fund Manager will seek to invest in funds from the rest of the market.

In creating the solution, we combine defensive and growth assets. To further increase diversification, the solution will allocate to alternative investments, however, although it may invest in property securities it does not allocate to direct property investments.

MyPortfolio Select

The Select SMA is permitted to invest in a broader set of investment styles as well as make use of third party managers where justified. We choose an optimal combination of growth and defensive assets across traditional tracker, enhanced index and active strategies to deliver the best possible outcome within the relevant parameters. This means that each investment style and manager is put to best use meaning, for example, active strategies are only utilised where we believe this is likely to lead to better risk-adjusted returns and thereby justify the higher cost typically associated with active strategies. Where we think an index tracker or enhanced index approach is likely to offer the most efficient access to a particular set of return drivers, we will make use of these lower cost styles.

To further increase diversification, the solution will allocate to alternative investments, however, although it may invest in property securities it does not allocate to direct property investments.

Portfolio Construction

From a rigorously researched position, we construct efficient, well-diversified, portfolios with a risk/reward profile appropriate to the SMA's stated mandate. In doing so, we will seek to generate superior risk-adjusted returns in a consistent manner throughout the economic cycle.

Once we invest in a fund, it is continuously monitored in order to identify any changes that could impact future returns. We recognise the importance of having a strong sell discipline and therefore consider our monitoring process as important as the initial selection. Monitoring our risk exposures also allows us to highlight any unintended risks that may emerge in our portfolios, so that we can remove them before they begin to impact returns.

The Fund Managers have ultimate responsibility for ensuring that any fund selected is an appropriate selection for the asset class the fund has been chosen to represent.

Portfolio Rebalancing

Aberdeen Standard Investments aim to always keep trading costs to a minimum whilst ensuring funds remain within their agreed risk parameters.

We regularly review and rebalance the portfolios to ensure they are meeting the right risk and return outcomes for investors. This involves checking that each portfolio has the optimal mix of assets for its risk level and remains aligned to client needs.

Risk Management & Control

MyPortfolio Risk management

The MyPortfolio range of Separately Managed Accounts are managed within an extensive risk management framework to ensure that the Multi-Manager Strategies is operating to deliver against client expectations, within regulatory requirements and to internal Aberdeen Standard Investments (ASI) governance Standards.

Risk is monitored and controlled by the systematic application of detailed processes both on an individual and re-occurring basis. There are four distinct elements to the risk management process:

Portfolio Management under the direction of the Multi-Manager Strategies Team

The Multi-Manager Strategies Team is led by Bambos Hambi. The team undertakes risk analysis at both the portfolio and underlying holdings level, using backward looking risk measures; including but not limited to Information and Sharp ratios. The team receive and analyse monthly holdings data for all underlying investments through widely adopted systems including Bloomberg, Style Research and a number of proprietary built systems. The process adopted ensures that the portfolio shape, structure and liquidity are within expected parameters.

Investment Control

This team is responsible for monitoring the portfolios managed by ASI on a daily basis, including pre-trade checks. Controlled through the Charles River Investment Management operating platform, the team ensure compliance with regulatory, internal governance standards and client driven investment guidelines. The team is managed independently from our asset management teams and reports to the Director of Investment Governance.

Investment Governance

The Investment Governance function operates two-fold for this proposition, through ASI and Aberdeen Standard Capital (ASC); both of which operate independently of the Multi-Manager Strategies Team.

Both teams are responsible for ensuing the consistent application and integrity of the execution of the investment process relative to the investment mandate. ASC is specifically responsible for post-trade and monthly reconciliation checks together with ASI taking a more holistic approach including a focus on delivering against client expectations, regulatory requirements, internal governance standards and investment capabilities. The ASC process operates monthly and post transaction execution; the ASI process operates formally each quarter.

Investment Risk Management

The Investment Risk Management team operates and reports independently to the Multi-Manager Strategies Team; utilising a number of risk monitoring systems including; RiskMetrics, SunGuard APT and UBS Credit Delta. In addition to escalating identified issues to the Portfolio Managers, the Investment Risk Team reports and escalates them through their own reporting lines as part of the overall risk management framework.

MyPortfolio SMA Range

MyPortfolio SMA has three ranges all of which have actively managed optimised asset allocation, with regular reviews and ongoing rebalancing to maintain target risk levels of each portfolio. To aid liquidity none of the portfolio invest in direct property.

MyPortfolio Index SMA

- Primarily invests in proprietary index tracker funds.
- Well-diversified across geographies and asset classes.
- Estimated total cost 0.15% - 0.19% excluding platform fee.

MyPortfolio Index Plus SMA

- In addition to ASI index trackers funds this range uses ASI enhanced index strategies which seek to outperform traditional index tracker equity funds by 0.75% (gross).
- Uses a number of carefully selected ASI actively managed funds.
- Increased diversification through allocation to alternative investments.
- Estimated total cost 0.31% - 0.45% excluding platform fee.

MyPortfolio Select SMA

- Optimal combination of index tracker, enhanced index and active funds from ASI as well as some carefully selected best-of-market active funds from the world's leading asset managers.
- Traditional as well as alternative asset classes increasing diversification.
- Estimated total cost 0.65% - 0.90% excluding platform fee.

Who manages MyPortfolio?

Matthew Webber is responsible on a day to day basis for managing MyPortfolio Select. Matthew is part of the Multi-Manager Strategies Team that runs our successful and well established MyFolio fund range. The Team of 18 comprises a mix of skilled and talented fund managers and investment analysts. It is headed by Bambos Hambi who has over 41 years' industry experience. The Team, which manages £28.1bn of assets in risk-based funds and portfolios, is one of the largest and most experienced multi-manager teams in the industry (as at 30/06/2019).

Matthew Webber
Senior Investment Manager

Matthew Webber is a Senior Investment Manager at Aberdeen Standard Investment, where he is responsible for Co-Managing MyPortfolio SMAs together with equity and fixed income Collective Fund Research. Additionally he is responsible for managing the graduate and intern members of the Multi Manager Strategies team. Matthew joined Standard Life Investments in 2011 from The Co-operative Asset Management where he was a Fund of Funds Manager. Prior to that, Matthew worked for Mazars Financial Planning.

MyPortfolio Index SMA

Strategic Asset Allocation

	I	II	III	IV	V
Cash & Money Markets	7.20%	1.00%	1.00%	1.00%	1.00%
Global Index Linked Bonds (GBP hedged)	2.40%	7.10%	3.90%	1.00%	0.00%
Short Dated Global Index Linked Bonds (GBP hedged)	7.00%	7.10%	3.90%	1.00%	0.00%
Sterling Corporate Bonds	17.60%	11.30%	5.10%	1.70%	0.00%
Short Dated Sterling Corporate Bonds	22.60%	12.00%	6.70%	2.40%	0.00%
Global Corporate Bonds (GBP hedged)	11.30%	9.50%	7.50%	2.60%	0.00%
Short Dated Global Corporate (GBP hedged)	3.80%	3.20%	2.50%	0.90%	0.00%
Defensive Assets	**71.90%**	**51.20%**	**30.60%**	**10.60%**	**1.00%**
UK Equities	12.00%	20.30%	25.60%	29.90%	36.20%
US Equities	3.20%	5.80%	9.30%	14.40%	22.90%
European Equities	1.00%	3.70%	7.20%	9.50%	10.60%
Japanese Equities	2.00%	3.60%	5.20%	6.90%	10.40%
Asia-Pacific Equities	1.60%	2.80%	4.10%	5.40%	7.20%
Emerging Market Equities	1.60%	2.80%	4.10%	5.40%	7.20%
Global High Yield Bonds (GBP hedged)	2.50%	2.50%	3.50%	4.50%	0.00%
Emerging Market Debt (Local Currency)	2.80%	4.90%	6.90%	8.90%	4.50%
Global REITs (GBP hedged)	1.40%	2.40%	3.50%	4.50%	0.00%
Growth Assets	**28.10%**	**48.80%**	**69.40%**	**89.40%**	**99.00%**
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

MyPortfolio Index SMA

Portfolio Holdings

				I	II	III	IV	V
Cash & Money Markets	Aberdeen Liquidity Fund (Lux) - Sterling fund X2 GBP	Defensive	Cash	6.19%	0.00%	0.00%	0.00%	0.00%
	GBP Cash	Defensive	Cash	1.01%	1.00%	1.00%	1.00%	1.00%
Global Index Linked Bonds (GBP hedged)	Aberdeen Global Index Linked Bond Tracker	Defensive	Passive	2.39%	7.07%	3.88%	1.00%	0.00%
Short Dated Global Index Linked Bonds (GBP hedged)	Aberdeen Short Dated Global Index Linked Bond Tracker	Defensive	Passive	7.00%	7.10%	3.90%	1.00%	0.00%
Sterling Corporate Bonds	VANGUARD-UK INV GR BD I-GBPA	Defensive	Passive	17.57%	11.30%	5.10%	1.70%	0.00%
Short Dated Sterling Corporate Bonds	Aberdeen Short Dated Sterling Corporate Bond Tracker	Defensive	Passive	22.60%	12.00%	6.70%	2.40%	0.00%
Global Corporate Bonds (GBP hedged)	Aberdeen Global Corporate Bond Tracker	Defensive	Passive	11.32%	9.52%	7.51%	2.60%	0.00%
Short Dated Global Corporate Bonds (GBP hedged)	Aberdeen Short Dated Global Corporate Bond Tracker	Defensive	Passive	3.80%	3.20%	2.50%	0.90%	0.00%
Defensive Assets				**71.88%**	**51.19%**	**30.59%**	**10.60%**	**1.00%**
UK Equities	Aberdeen UK All Share Tracker	Growth	Passive	12.01%	20.31%	25.61%	29.91%	30.75%
	Vanguard FTSE UK All Share I-GBP+A	Growth	Passive	0.00%	0.00%	0.00%	0.00%	5.42%
US Equities	Aberdeen US Equity Tracker	Growth	Passive	3.19%	5.78%	9.27%	14.36%	22.82%
European Equities	Aberdeen European ex-UK Equity Tracker	Growth	Passive	1.00%	3.68%	7.17%	9.46%	10.54%
Japanese Equities	Aberdeen Japan Equity Tracker	Growth	Passive	2.02%	3.63%	5.24%	6.96%	10.48%
Asia-Pacific Equities	iShares Pacex Jap EqIndx(UK) H A	Growth	Passive	1.61%	2.82%	4.13%	5.43%	7.25%
Emerging Market Equities	VANGUARD-EMR MK ST IN-GBPACC	Growth	Passive	1.60%	2.82%	4.13%	5.43%	7.24%
Global High Yield Bonds (GBP hedged)	Pimco Global High Yield Bond	Growth	Active	2.50%	2.50%	3.50%	4.50%	0.00%
Emerging Market Debt (Local Currency)	Aberdeen Emerging Market Local Currency Bond Tracker	Growth	Passive	2.81%	4.91%	6.91%	8.92%	4.50%
Global REITs (GBP hedged)	SLMT Global REIT Institutional S Acc	Growth	Active	1.38%	2.36%	3.45%	4.43%	0.00%
Growth Assets				**28.12%**	**48.81%**	**69.41%**	**89.40%**	**99.00%**
Total				**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

MyPortfolio Index Plus SMA

Strategic Asset Allocation

	I	II	III	IV	V
Cash & Money Markets	6.50%	1.00%	1.00%	1.00%	1.00%
Global Index Linked Bonds (GBP hedged)	2.20%	6.40%	3.50%	0.90%	0.00%
Short Dated Global Index Linked Bonds (GBP hedged)	6.30%	6.40%	3.50%	0.90%	0.00%
Sterling Corporate Bonds	15.80%	10.20%	4.60%	1.50%	0.00%
Short Dated Sterling Corporate Bonds	20.30%	10.60%	5.80%	2.10%	0.00%
Global Corporate Bonds (GBP hedged)	10.20%	8.60%	6.80%	2.30%	0.00%
Short-dated Global Corporate (GBP hedged)	3.40%	2.90%	2.30%	0.80%	0.00%
Diversifying Defensive Assets	7.20%	5.10%	3.10%	1.10%	0.00%
Defensive Assets	**71.90%**	**51.20%**	**30.60%**	**10.60%**	**1.00%**
UK Equities	10.80%	18.30%	22.90%	26.70%	32.50%
US Equities	2.90%	5.20%	8.40%	13.00%	20.60%
European Equities	0.90%	3.30%	6.50%	8.60%	9.50%
Japanese Equities	1.80%	3.20%	4.70%	6.20%	9.40%
Asia-Pacific Equities	1.40%	2.50%	3.70%	4.90%	6.50%
Emerging Market Equities	1.40%	2.50%	3.70%	4.90%	6.50%
Global High-Yield Bonds (GBP hedged)	2.30%	2.30%	3.20%	4.10%	0.00%
Emerging Market Debt (Local Currency)	2.50%	4.40%	6.20%	8.00%	4.10%
Global REITs (GBP hedged)	1.30%	2.20%	3.20%	4.10%	0.00%
Diversifying Growth Assets	2.80%	4.90%	6.90%	8.90%	9.90%
Growth Assets	**28.10%**	**48.80%**	**69.40%**	**89.40%**	**99.00%**
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

MyPortfolio Index Plus SMA

Portfolio Holdings

				I	II	III	IV	V
Cash & Money Markets	Aberdeen Liquidity Fund (Lux) - Sterling fund X2 GBP	Defensive	Cash	5.50%	0.00%	0.00%	0.00%	0.00%
	GBP Cash	Defensive	Cash	1.00%	1.00%	1.00%	1.00%	1.00%
Global Index Linked Bonds (GBP hedged)	Aberdeen Global Index Linked Bond Tracker	Defensive	Passive	2.19%	6.38%	3.49%	0.90%	0.00%
Short Dated Global Index Linked Bonds (GBP hedged)	Aberdeen Short Dated Global Index Linked Bond Tracker	Defensive	Passive	6.30%	6.40%	3.50%	0.90%	0.00%
Sterling Corporate Bonds	VANGUARD-UK INV GR BD I-GBPA	Defensive	Passive	15.77%	10.18%	4.59%	1.50%	0.00%
Short Dated Sterling Corporate Bonds	Aberdeen Short Dated Sterling Corporate Bond Tracker	Defensive	Passive	20.29%	10.60%	5.80%	2.10%	0.00%
Global Corporate Bonds (GBP hedged)	Aberdeen Global Corporate Bond Tracker	Defensive	Passive	10.21%	8.61%	6.81%	2.30%	0.00%
Short-dated Global Corporate Bonds (GBP hedged)	Aberdeen Short Dated Global Corporate Bond Tracker	Defensive	Passive	3.40%	2.90%	2.30%	0.80%	0.00%
Diversifying Defensive Assets	TwentyFour Absolute Return Credit	Defensive	Active	7.20%	5.10%	3.10%	1.10%	0.00%
Defensive Assets				**71.86%**	**51.17%**	**30.59%**	**10.60%**	**1.00%**
UK Equities	Stan Life Inv UK Sm Cos Inst S Acc	Growth	Active	1.08%	1.83%	2.29%	2.67%	3.25%
	Aberdeen UK Equity Enhanced	Growth	Enhanced	6.48%	10.98%	13.74%	16.02%	19.48%
	Aberdeen UK All Share Tracker	Growth	Passive	3.24%	5.49%	6.87%	8.01%	9.74%
US Equities	Aberdeen North America Equity Enhanced	Growth	Enhanced	1.74%	3.11%	5.04%	7.80%	12.35%
	Aberdeen US Equity Tracker	Growth	Passive	1.16%	2.08%	3.35%	5.18%	8.20%
European Equities	Stan Life Inv ErexUKSlCo I Acc	Growth	Active	0.00%	0.00%	0.65%	0.86%	0.95%
	Aberdeen European Equity Enhanced	Growth	Enhanced	0.90%	3.29%	5.82%	7.70%	8.50%
Japanese Equities	AberdeenJapan Equity Enhanced	Growth	Enhanced	1.82%	3.23%	4.73%	6.23%	9.45%
Asia Pacific Equities	Aberdeen Asia Pacific ex-Japan Equity Enhanced	Growth	Enhanced	1.41%	2.52%	3.73%	4.94%	6.54%
Emerging Market Equities	Aberdeen Global Emerging Market Equity Quantitative	Growth	Enhanced	1.41%	2.52%	3.73%	4.94%	6.55%
Global High Yield Bonds (GBP hedged)	Pimco GIS Gbl HiYldBd I Hg I £	Growth	Active	2.30%	2.30%	3.20%	4.10%	0.00%
Emerging Market Debt	Aberdeen Emerging Market Bond Tracker	Growth	Passive	2.50%	4.41%	6.21%	8.01%	4.10%
Global REITs (GBP hedged)	SLMT Global REIT Institutional S ACC	Growth	Active	1.30%	2.17%	3.15%	4.04%	0.00%
Diversifying Growth Assets	TM Fulcrum Diversified Core Absolute Return	Growth	Active	1.40%	2.45%	3.45%	4.45%	4.95%
	Schroder Multi-Asset Tot Rtn L Acc	Growth	Active	1.40%	2.45%	3.45%	4.45%	4.94%
Growth Assets				**28.14%**	**48.83%**	**69.41%**	**89.40%**	**99.00%**
Total				**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

MyPortfolio Select SMA

Strategic Asset Allocation

	I	II	III	IV	V
Cash & Money Markets	6.50%	1.00%	1.00%	1.00%	1.00%
Global Index Linked Bonds (GBP hedged)	2.20%	6.40%	3.50%	0.90%	0.00%
Short Dated Global Index Linked Bonds (GBP hedged)	6.30%	6.40%	3.50%	0.90%	0.00%
Sterling Corporate Bonds	15.80%	10.20%	4.60%	1.50%	0.00%
Short Dated Sterling Corporate Bonds	20.30%	10.60%	5.80%	2.10%	0.00%
Global Corporate Bonds (GBP hedged)	10.20%	8.60%	6.80%	2.30%	0.00%
Short-dated Global Corporate (GBP hedged)	3.40%	2.90%	2.30%	0.80%	0.00%
Diversifying Defensive Assets	7.20%	5.10%	3.10%	1.10%	0.00%
Defensive Assets	**71.90%**	**51.20%**	**30.60%**	**10.60%**	**1.00%**
UK Equities	10.80%	18.30%	22.90%	26.70%	32.50%
US Equities	2.90%	5.20%	8.40%	13.00%	20.60%
European Equities	0.90%	3.30%	6.50%	8.60%	9.50%
Japanese Equities	1.80%	3.20%	4.70%	6.20%	9.40%
Asia-Pacific Equities	1.40%	2.50%	3.70%	4.90%	6.50%
Emerging Market Equities	1.40%	2.50%	3.70%	4.90%	6.50%
Global High-yield Bonds (GBP hedged)	2.30%	2.30%	3.20%	4.10%	0.00%
Emerging Market Debt (Local Currency)	2.50%	4.40%	6.20%	8.00%	4.10%
Global REITs (GBP hedged)	1.30%	2.20%	3.20%	4.10%	0.00%
Diversifying Growth Assets	2.80%	4.90%	6.90%	8.90%	9.90%
Growth Assets	**28.10%**	**48.80%**	**69.40%**	**89.40%**	**99.00%**
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

MyPortfolio Select SMA

Portfolio Holdings

Defensive Assets			I	II	III	IV	V
Cash & Money Markets	Aberdeen Liquidity Fund (Lux) - Sterling fund X2 GBP	Cash	5.50%	0.00%	0.00%	0.00%	0.00%
	GBP Cash	Cash	1.00%	1.00%	1.00%	1.00%	1.00%
Global Index Linked Bonds (GBP hedged)	Aberdeen Global Index Linked Bond Tracker	Passive	2.19%	6.38%	3.49%	0.90%	0.00%
Short Dated Global Index Linked Bonds (GBP hedged)	Aberdeen Short Dated Global Index Linked Bond Tracker	Passive	6.30%	6.40%	3.50%	0.90%	0.00%
Sterling Corporate Bonds	TwentyFour Corporate Bond Fund GBP I Acc	Active	7.89%	5.10%	2.30%	0.75%	0.00%
	Fidelity UK Corporate Bond	Active	7.89%	5.09%	2.30%	0.75%	0.00%
Short Dated Sterling Corporate Bonds	Royal London Short Dur Credit Z Inc	Active	10.16%	5.30%	2.90%	1.05%	0.00%
	Aberdeen Short Dated Sterling Corporate Bond Tracker	Passive	10.15%	5.30%	2.90%	1.05%	0.00%
Global Corporate Bonds (GBP hedged)	Robeco Global Credits IH GBP	Active	3.06%	2.58%	2.04%	0.69%	0.00%
	PIMCO Global Investment Grade Credit Fund (Hdg)	Active	7.14%	6.02%	4.76%	1.61%	0.00%
Short-dated Global Corporate Bonds (GBP hedged)	Robeco Global Credits - Short Maturity - IH GBP	Active	3.40%	2.90%	2.30%	0.80%	0.00%
Absolute Returns Bonds	TwentyFour Absolute Return Credit	Active	7.20%	5.10%	3.10%	1.10%	0.00%
Defensive Assets			**71.88%**	**51.17%**	**30.59%**	**10.60%**	**1.00%**
Growth Assets			I	II	III	IV	V
UK Equities	Stan Life Inv UK Eql Uncns I Acc	Active	2.17%	3.67%	4.58%	5.35%	6.49%
	Majedie UK Equity X Acc	Active	3.24%	5.49%	6.87%	8.01%	9.74%
	Fidelity UK Smaller Companies W Acc	Active	0.81%	1.37%	1.72%	2.00%	2.43%
	Aberdeen UK All Share Tracker	Passive	3.78%	6.42%	8.03%	9.36%	11.38%
	LF Tellworth UK Smaller Companies	Active	0.81%	1.37%	1.72%	2.00%	2.44%
US Equities	Aberdeen US Equity Tracker	Passive	0.86%	1.56%	2.51%	3.89%	6.16%
	Merian North American Equity U2 Acc	Active	1.02%	1.81%	2.93%	4.53%	7.17%
	VANGUARD US EQUITY IND-GBP+A	Passive	1.02%	1.83%	2.95%	4.55%	7.21%
European Equities	BlackRock European Dyn FD Acc	Active	0.89%	1.64%	3.23%	4.27%	4.72%
	Invesco European Equity (UK) Y A	Active	0.00%	0.99%	1.95%	2.58%	2.85%
	Lazard European Smaller Companies C ACC	Passive	0.00%	0.66%	1.30%	1.72%	1.89%
Japanese Equities	CF Morant Wright Nippon Yield B	Active	0.90%	1.60%	2.35%	3.10%	4.70%
	Aberdeen Japan Equity Tracker	Passive	0.91%	1.61%	2.35%	3.13%	4.74%
Asia-Pacific Equities	Hermes Asia Ex Japan Equity Fund Class F GBP Accumulating	Active	0.71%	1.26%	1.87%	2.47%	3.28%
	First State Asia Focus B ACC GBP	Active	0.71%	1.26%	1.87%	2.46%	3.27%
Emerging Market Equities	VANGUARD-EMR ST IN-GBPACC	Passive	0.56%	1.01%	1.49%	1.97%	2.62%
	Artemis Gbl Emg Mkts I Acc GBP	Active	0.84%	1.50%	2.23%	2.95%	3.91%
Global High Yield Bonds (GBP hedged)	Pimco GIS Gbl HiYldBd I Hg I £	Active	2.30%	2.30%	3.20%	4.10%	0.00%
Emerging Market Debt (Local Currency)	Aberdeen Emerging Market Bond Tracker	Passive	2.51%	4.41%	6.21%	8.02%	4.11%
Global REITs (GBP hedged)	First State Global Property Securities B Hedged Acc	Active	1.28%	2.17%	3.15%	4.04%	0.00%
Diversifying Growth Assets	TM Fulcrum Diversified Core Absolute Return	Active	1.40%	2.45%	3.45%	4.45%	4.95%
	Schroder Multi-Asset Tot Rtn L Acc	Active	1.40%	2.45%	3.45%	4.45%	4.94%
Growth Assets			**28.12%**	**48.83%**	**69.41%**	**89.40%**	**99.00%**
Total			**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Strategic Asset Allocation Update

The Strategic Asset Allocation Committee	
Archie Struthers (Chair) Global Head of Investment Governance and Oversight	Archie is responsible for ensuring that agreed investment processes are applied by the investment teams and that investment actively is consistent with both regulatory requirements and investment guidelines.
Stephen Acheson Executive Director, Global Head of Insurance	Stephen has responsibility for the provision of investment management services and support to the wider global Standard Life Aberdeen group, covering both Retail and Institutional operations.
James Esland Investment Director - Multi-Asset Investing	James is responsible for the Investment Management processes for Global Absolute Returns and Liability Driven Investment products. He also makes the Tactical Asset Allocation decisions for MyFolio.
Bambos Hambi Co-Head of Multi-Manager Strategies	Bambos has overall responsibility for the portfolio management of the 25 MyFolio funds. Bambos also heads up the Multi-Manager Strategies Team.
Iain McLeod Investment Director - Multi-Asset Investment Specialist	Iain is responsible for the development, technical support and promotion of the full range of Standard Life Investments' retail multi funds.
Eddie Middleton Global Head of Investment Governance	Eddie is responsible for two functions within Investment Governance: quantitative risk processes and investment processes.
Joe Wiggins Head of Portfolio Management.	Joe is responsible for the management of a range of multi-asset, fund of funds, including the MyFolio SICAV range. He is integral to the assessment, analysis and suitability of the asset classes utilised within the strategic asset allocation models.

We review the Strategic Asset Allocation (SAA) for each of the funds every quarter, with the aim of ensuring that we continue to meet investors' long-term investment expectations. At the most recent review, we made no changes to the SAA model.

Market Review and Outlook

Market Review

Global equities gained further ground during the second quarter. This was despite a pullback in May, when an escalation in the US-China trade dispute dashed hopes of an imminent resolution. However, central banks in the US, Europe and Japan responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. This engendered a more positive mood. Investor confidence received another boost when, at end-June, presidents Trump and Xi agreed a truce in their trade war.

Amid these trade tensions and economic growth worries, government bonds also benefited from supportive comments from global central banks. US Treasuries rallied strongly as markets priced-in up to three US Federal Reserve interest rate cuts over the next year. The European Central Bank is increasingly expected to cut interest rates too. German bunds performed well over the period. Meanwhile, UK government bonds rose (yields fell), partly on the back of increased fears of a ‘no-deal’ Brexit. These factors also helped global corporate bonds rally in the second quarter.

Outlook

Politics seem to be a key driver of global stock markets, making forecasting more difficult. For example, we are uncertain of the outcome of the US-China trade dispute. However, the market is signalling that this will be a more drawn-out dispute than previously thought. This brings increasing risk of an economic slowdown and further bouts of volatility. Despite this, we remain cautiously optimistic. Central banks, notably the US Federal Reserve, have indicated they will act to support their economies if needed. Interest rate cuts are now back on the table. This should support equities. Meanwhile, corporate earnings estimates remain solid.

Political and economic factors are also likely to have a significant impact on fixed income markets. With political risks seemingly rising again and economic data patchy at best, central banks are becoming increasingly dovish. With government bond yields falling (to below zero in some cases) in recent months, history would suggest that investors may again start searching for yield as interest rates remain low. The hunt for yield should also support corporate bonds, which remain moderately attractive.

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