

Aberdeen Standard Investments' MyPortfolio Select Separately Managed Account (SMA) Portfolio I aims to generate growth over the longer term through an optimal combination of investment styles and managers.

### Key Facts

Our SMA risk scale\*:



- ▶ Suitable for investors seeking to grow their assets 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 who have received a recommendation from an adviser.

### Investment strategy

Aberdeen Standard Investments' MyPortfolio Separately Managed Account service gives clients access to their investment portfolio construction and risk management skills.

In the initial stages of the investment process, the investment manager decides on the strategic asset allocation that they believe will deliver the best possible returns for a given risk level. They work closely with Moody's Analytics, world-leading experts in risk modelling solutions, to help achieve this. This process helps us build the most efficient long-term asset allocation mix that we expect to generate the highest returns for each level of risk.

This analysis forms a framework for the investment manager to select the right investment funds to fill the asset class buckets, utilising a combination of defensive and growth assets and investment styles particular to each MyPortfolio range. They implement an agile approach to fund selection by blending these funds optimally with the aim of achieving the best risk-adjusted returns.

The portfolios are regularly rebalanced and reviewed to ensure they are meeting the appropriate risk and return outcomes for investors. This involves checking that each portfolio has the optimal mix of assets and funds for its risk level and remains aligned to client needs. We make any necessary changes as quickly and cost-efficiently as possible.

### Multi-Manager Strategies Team

#### James Millard Co-Head of Multi-Manager Strategies

James is co-head of Multi-Manager Strategies and co-manager of the MyPortfolio SMAs. James joined the company in 2014 from Old Mutual Wealth where he was Director of Investments. Previously, he worked at Old Mutual Global Investors as Chief Investment Officer of the multi-manager business.

#### Matthew Webber Senior Investment Manager

Matthew is a Senior Investment Manager responsible for co-managing MyPortfolio SMAs. Matthew joined the company in 2011 from The Co-operative Asset Management where he was a Fund Manager.

### Risk profile

The investment strategy for Portfolio I seeks to generate growth over the longer term while being managed to a level of risk, rather than a level of return. It aims to deliver modest or relatively stable levels of return over the longer term with some short term periods of fluctuation in value.

It's likely to be suitable for clients who are prepared to accept a low level of risk during the term of their investment. Aberdeen Standard Investments 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.

### 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. Investor confidence received another boost when, at end-June, presidents Trump and Xi agreed a truce in their trade war. 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. 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.

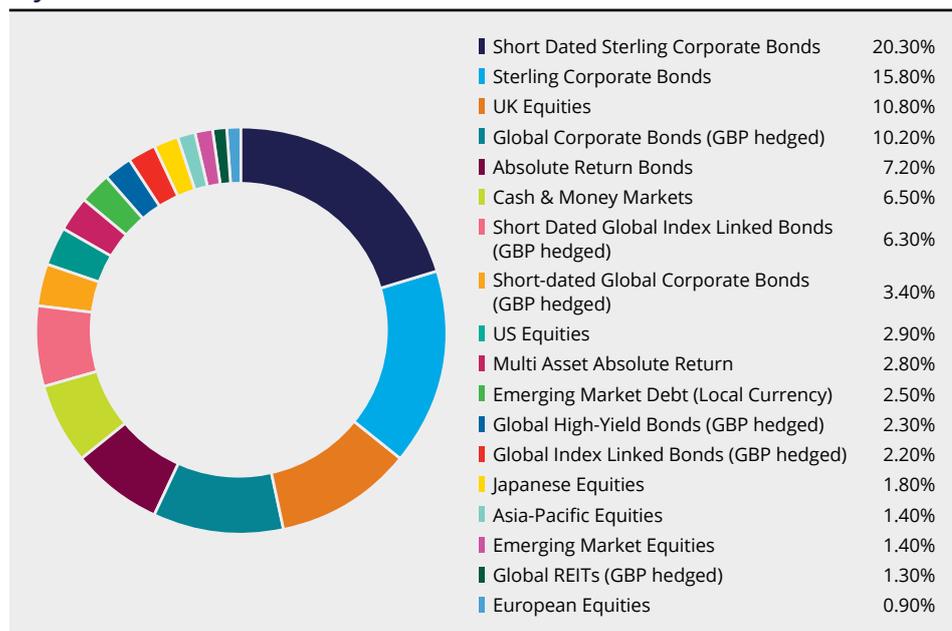
\*Please note that the risk class is an internal risk rating and that even the lowest risk class can lose you money.

## MyPortfolio Select SMA Portfolio I - Composition by fund exposure

Holding	Fund (%)	Holding	Fund (%)
Aberdeen Liquidity Fund (Lux) - Sterling fund X2 GBP	5.50	Aberdeen US Equity Tracker	0.86
Aberdeen Global Index Linked Bond Tracker	2.19	Merian North American Equity U2 Acc	1.02
Aberdeen Short Dated Global Index Linked Bond Tracker	6.30	VANGUARD US EQUITY IND-GBP+A	1.02
TwentyFour Corporate Bond Fund GBP I Acc	7.89	BlackRock European Dyn FD Acc	0.89
Fidelity UK Corporate Bond	7.89	CF Morant Wright Nippon Yield B	0.90
Royal London Short Dur Credit Z Inc	10.16	Aberdeen Japan Equity Tracker	0.91
Aberdeen Short Dated Sterling Corporate Bond Tracker	10.15	Hermes Asia Ex Japan Equity Fund Class F GBP Accumulating	0.71
Robeco Global Credits IH GBP	3.06	First State Asia Focus B ACC GBP	0.71
PIMCO Global Investment Grade Credit Fund (Hdg)	7.14	VANGUARD-EMR ST IN-GBPACC	0.56
Robeco Global Credits - Short Maturity - IH GBP	3.40	Artemis Gbl Emg Mkts I Acc GBP	0.84
TwentyFour Absolute Return Credit	7.20	Pimco GIS Gbl HiYldBd I Hg I £	2.30
Stan Life Inv UK EqI Uncns I Acc	2.17	Aberdeen Emerging Market Bond Tracker	2.51
Majedie UK Equity X Acc	3.24	First State Global Property Securities B Hedged Acc	1.28
Fidelity UK Smaller Companies W Acc	0.81	TM Fulcrum Diversified Core Absolute Return	1.40
Aberdeen UK All Share Tracker	3.78	Schroder Multi-Asset Tot Rtn L Acc	1.40
LF Tellworth UK Smaller Companies	0.81	GBP Cash	1.00
		<b>Total</b>	<b>100.00</b>

Source : Aberdeen Standard Investments  
Portfolio breakdown at end June 2019

## MyPortfolio Select SMA Portfolio I - Asset class breakdown



Source : Aberdeen Standard Investments  
Asset class breakdown at end June 2019

## MyPortfolio Select SMA Portfolio I - Charges

DFM charge	0.30%*
Underlying fund costs**	0.369%
Total estimated cost	0.669%

\*VAT is not applicable

\*\*Estimate based on portfolio at end June 2019 (subject to change)

## Market 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 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. Economics and politics will also influence the direction of government bond markets. With bond yields falling in recent months (to below zero in some cases), history would suggest that investors may again start searching for yield. This should support corporate bonds, which remain moderately attractive.



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.

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The information contained in this document should not be construed as advice or an investment recommendation on how to construct a portfolio or whether to buy, retain or sell a particular investment. Please note you can only invest in MyPortfolio through an investment adviser.

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