

MyPortfolio Index Plus

SMA - Portfolio III

Quarterly Update Report - Q1 2021

Aberdeen Standard Investments' MyPortfolio Index Plus Separately Managed Account (SMA) Portfolio III aims to generate growth over the longer term through a combination of enhanced index and tracker funds in addition to selected active funds.

Key Facts

Our SMA risk scale*:



- 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.

Risk profile

The investment strategy for Portfolio III 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 a reasonable level of return over the longer term with relatively high and frequent fluctuations in value.

It's likely to be suitable for clients who are prepared to accept a medium level of risk over the term of their investment. Aberdeen Standard Investments believes this could apply to clients who are prepared to accept a moderate amount of volatility over their time horizon. They want to reduce the effect of market volatility on the value of their investments but they want them to grow as well. Under normal circumstances, they would not expect their investments to fall and rise very sharply in value. They accept that, in the longer term, a higher level of volatility may result in higher returns.

Remember, investors could get back less than they invested.

- Suitable for investors with basic investment knowledge.
- Suitable for investors who can accept large short term losses.
- Suitable for investors seeking to grow their assets over a period of at least 5 years, with easy access to their cash.

Multi-Manager Strategies Team

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.

Justin Jones Senior Investment Manager

Justin Jones is a Senior Investment Manager responsible for co-managing MyPortfolio SMAs and other institutional mandates. Justin has over 25 years of investment experience having joined the company in 2009 from Credit-Suisse Asset Management.

Market review

Global equities rose over the period, with all major world indices posting positive returns. Worldwide Covid-19 vaccine rollouts raised hopes of a return to normality, and US fiscal stimulus further supported markets. This was despite fears of vaccine-resistant Covid-19 variants and rising concerns about inflation weighing on shares. In line with increasing investor risk appetite globally, smaller companies outperformed their larger counterparts.

Government bonds had a challenging quarter. As the US House of Representatives approved President Joe Biden's US\$1.9 trillion pandemic stimulus package, fears over inflation hit bond markets. With US inflation expectations hitting their highest level since 2014, investors sold government bonds. Corporate bond returns were generally negative over the quarter, largely due to rising government bond yields (falling prices). The first quarter was generally beneficial for sectors and issuers that have been most adversely affected by the pandemic, following the global vaccine rollout.



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

Performance

Portfolio performance is based on Aberdeen Standard Investments SMA hosted on the Standard Life WRAP platform.

Performance figures are net of the Aberdeen Standard Investments Discretionary Management Charge. However they do not include the deduction of product and adviser specific charges. The effect of these charges would be to reduce the performance levels shown.

MyPortfolio Index Plus SMA Portfolio III - Performance

	Performance (%) 1st Quarter 2021	Performance (%) 1 year	Performance (%) Since Inception ¹
MyPortfolio Index Plus SMA Portfolio III	1.76	20.75	11.10

The performance figures may vary due to product specific charges and should be viewed on an indicative basis.

116/05/2019 - 31/03/2021

Source: Aberdeen Standard Investments as at end March 2021

MyPortfolio Index Plus SMA Portfolio III - Performance: inception to end Q1 2021



Source: Aberdeen Standard Investments as at end March 2021

The figures shown here refer to the past. Past performance is not a reliable guide to future performance. As with any investment, the value of your investment can go down as well as up and may be worth less than you invested.

MyPortfolio Index Plus SMA Portfolio III - Charges

DFM charge	0.15%
Underlying fund costs*	0.209%
Total estimated cost	0.359%

*Estimate based on portfolio at end March 2021 (subject to change)

Market outlook

The ramp up of Covid-19 vaccine rollouts and China's rapid recovery added fuel to an expected sharp economic rebound in 2021. With a recovery in sight, investors moved into cyclical companies at the expense of growth companies in late 2020, which continued into 2021. Continued low policy rates and extra fiscal expenditure are supportive for equities. Low bond yields have underpinned equity valuations. A sustained rise in long-term rates on inflation worries will likely cause spikes in market volatility. Vaccine setbacks, weak corporate earnings or policy mistakes could also cause sharp sell-offs.

Within fixed income, on the corporate bond side, increasing vaccine dissemination, along with huge US fiscal stimulus, is driving sentiment. However, less favourably, the expected strong economic rebound is stoking some inflation fears, putting upward pressure on core government bond yields. Most notably, the 10-year US Treasury yield has risen sharply from lows seen in August 2020. Since bond prices move in the opposite direction, continued yield rises would be unwelcome for both government and corporate bonds.



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.

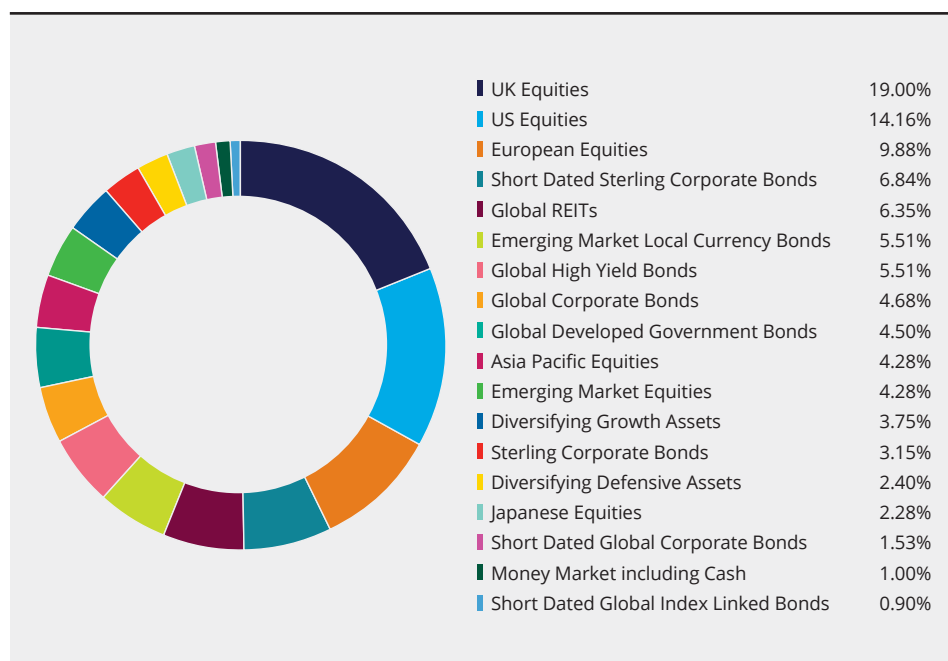
Investors should remember that the value of investments and the income from them can go down as well as up and that past performance is not a guarantee of future returns.

MyPortfolio Index Plus SMA Portfolio III - Composition by fund exposure

Holding	Fund (%)	Holding	Fund (%)
Aberdeen Standard Global Government Bond Tracker	4.50	ASI North American Smaller Companies	1.42
ASI Sterling Corporate Bond Tracker	3.20	ASI Europe ex UK Smaller Companies	0.99
ASI Short Dated Sterling Corporate Bond Tracker	6.80	ASI European Equity Enhanced Index	8.91
ASI Short Dated Global Inflation-Linked Bond Tracker	0.90	ASI Japan Equity Enhanced Index	2.30
ASI Global Corporate Bond Tracker	4.70	ASI Asia Pacific Equity Enhanced Index	4.30
ASI Short Dated Global Corporate Bond Tracker	1.50	ASI Emerging Markets Equity Enhanced Index	4.30
Vontobel Fund - Twentyfour Absolute Return Credit	2.40	Pimco Global High Yield Bond	5.50
ASI UK All Share Tracker	5.70	ASI Emerging Markets Local Currency Bond Tracker	5.50
ASI UK Equity Enhanced Index	11.40	ASI Global REIT Tracker	6.40
ASI UK Smaller Companies	1.90	Fulcrum Diversified Core Absolute Return	3.60
ASI American Equity Enhanced Index	7.10	GBP Cash	1.00
ASI American Equity Tracker	5.68	Total	100.00

Source : Aberdeen Standard Investments
Portfolio breakdown at end March 2021

MyPortfolio Index Plus SMA Portfolio III - Asset class breakdown



Source : Aberdeen Standard Investments
Asset class breakdown at end March 2021

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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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ASI_MPSMA_IndexPlusIII Q121

Distribution Hub ID: GB-130521-149335-12