

Enhanced Diversification

Managed Portfolio Service - Portfolio 3

Monthly Investment Strategy - October 2021

This document is issued by the discretionary investment management area of abrdn, which has a separate legal entity, abrdn Capital Limited.

The Enhanced Diversification Managed Portfolio Service (MPS) Portfolio 3 seeks to provide a total return from income and capital. The Portfolio is designed to be appropriate for investors with a medium low attitude to risk.

Key Facts

Expected Risk (volatility): 5.0 - 9.0%

Our MPS risk scale:



Risk profile

The investment strategy for Portfolio 3 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 low level of risk during the term of their investment.

This portfolio 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 who have received a recommendation from a financial adviser.

Investment strategy

The Enhanced Diversification Managed Portfolio Service gives clients access to the portfolio construction and risk management skills of abrdn's Discretionary Investment Management team.

In the initial stages of the investment process the Discretionary Investment Management team uses independent strategic asset allocation optimisation by Moody's Analytics. They combine this with tactical insights from abrdn's Multi-Asset Investing team.

This analysis forms a framework for the Discretionary Investment Management 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 abrdn 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.

Investment Team

Darren Ripton Head of Investments Discretionary, abrdn

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 Senior Investment Manager Discretionary, abrdn

Eric Louw is a Senior Investment Manager for the company 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.



Enhanced Diversification Portfolio 3 breakdown

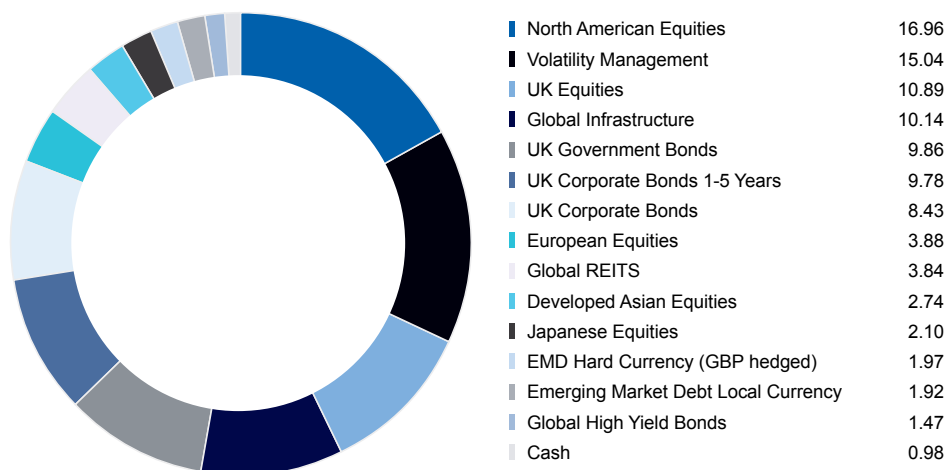
| Holding | Weights (%)* | Holding | Weights (%)* |
|---|--------------|--|---------------|
| First State Global Listed Infrastructure Fund | 2.49 | LF Tellworth UK Smaller Companies Fund | 1.05 |
| L&G Global Infrastructure Index Fund | 5.11 | Barings Emerging Markets Sovereign Debt Fund | 1.97 |
| Legg Mason RARE Infrastructure Value Fund | 2.54 | Neuberger Berman Emerging Markets Debt Local Currency Fund | 1.15 |
| Legal & General Global Real Estate Fund | 3.84 | SLI Global SICAV Emerging Market Local Currency Debt Fund | 0.77 |
| Fidelity Asia Fund | 2.74 | Barings European High Yield Bond Fund | 0.73 |
| Barings Europe Select Trust | 1.17 | Nomura US High Yield Bond Fund | 0.74 |
| Fidelity European Equity Fund | 1.17 | Fidelity Institutional Sterling Corporate Bond Fund | 8.43 |
| Invesco European Equity Income Fund | 1.15 | Fidelity Short-Dated Corporate Bond Fund | 4.89 |
| Invesco European Smaller Companies Fund | 0.39 | Royal London Short Duration Credit Fund | 4.89 |
| Invesco Japanese Equity Advantage Fund | 2.10 | Vanguard UK Government Bond Index Fund | 9.86 |
| Vanguard US Equity Index Fund | 16.96 | Standard Life Investments II ICAV Active Overlay Fund | 15.04 |
| Artemis Income Fund | 2.18 | GBP Cash | 0.98 |
| Investec UK Alpha Fund | 2.18 | Total | 100.00 |
| J O Hambro Capital Management UK Dynamic Fund | 2.72 | | |
| JPM UK Equity Core Fund | 2.76 | | |

Holdings referred to relate to the abrdn MPS, Discretionary managed via the abrdn 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 : abrdn

Enhanced Diversification Portfolio 3 asset class breakdown (%)



As at 31 October 2021

Important information

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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 abrdn MPS, Discretionary hosted on the abrdn MPS, Discretionary WRAP platform. The data is correct as at 31/10/2021.

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 abrdn MPS Discretionary 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.

