

# Target Return

## Managed Portfolio Service - Portfolio 5

### 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 Target Return Managed Portfolio Service (MPS) Portfolio 5 is designed to target a return of SONIA +4% (after assumed fees and charges of 2%) through an actively managed discretionary portfolio.

#### Key Facts

Target Return: SONIA +4%\*  
\*annualised over rolling 3 year periods

Expected Risk (volatility): 4.0 - 14.0%

Our MPS risk scale:



Launch date: 03 May 2011

#### Risk profile

The investment strategy for Portfolio 5 places the greatest emphasis on return potential. There is still a robust focus on risk management with the portfolio but this is tempered as a result of pursuing opportunities that offer higher potential growth.

It is likely to be suitable for clients who are prepared to accept a higher level of risk on their investment in order to seek higher potential returns in long term. They are willing to accept sharp fluctuations in the value of their investments and that the value of their investments will fall and rise.

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 wanting a positive absolute return over the medium to longer term (3-5 years) but with easy access to their cash.
- Suitable for investors who are looking to invest in a standalone portfolio.

#### Investment strategy

The Target Return investment strategy prioritises the management of market volatility primarily through advanced diversification of portfolio risks. The strategies used are designed to allow customers to benefit from the growth potential offered by market based investments while at the same time managing the risks. This is achieved by avoiding significant holdings in a single market or investment idea and by selecting markets or investment ideas that produce positive returns in differing economic conditions.

We utilise two funds to deploy advanced strategies to the Target Return portfolios. The Standard Life Strategic Investment Fund (SIA Fund) is used to dynamically alter the risks the portfolio is exposed to, for example by using hedging strategies that seek to protect against volatility. We also utilise the Standard Life Investments Active Overlay Fund (AOF) which aims to add alternative return seeking strategies to the portfolio, offsetting some of the hedging strategies held in the SIA Fund. Both these funds are managed exclusively on abrdn Capital Limited behalf by abrdn's Multi Asset Investment Team.

#### 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.



## Portfolio performance is based on abrdr MPS hosted on the abrdr WRAP platform.

The portfolio constituents and performance may vary on other platforms. The portfolio has not been available on all platforms since inception.

### Target Return Portfolio 5 breakdown

Holding	Weights (%)*	Holding	Weights (%)*
Fidelity Asia Fund	2.62	Barings Emerging Markets Sovereign Debt Fund	1.47
Barings Europe Select Trust	1.45	Neuberger Berman Emerging Markets Debt Local Currency Fund	2.77
BlackRock European Dynamic Fund	1.73	SLI Global SICAV Emerging Market Local Currency Debt Fund	1.87
Fidelity European Equity Fund	2.06	Schroder Euro Corporate Bond Fund	1.10
Invesco European Smaller Companies Fund	0.58	Standard Life Investments European Corporate Bond Fund	1.11
Baillie Gifford Global Alpha Growth Fund	1.59	Barings European High Yield Bond Fund	0.22
Robeco BP Global Premium Equities Fund	1.35	Nomura US High Yield Bond Fund	2.08
Schroder Global Equity Fund	1.60	PIMCO Global High Yield Bond Fund	1.33
Invesco Japanese Equity Advantage Fund	2.06	PIMCO US Investment Grade Corporate Bond Fund	3.22
Vanguard US Equity Index Fund	19.02	Vanguard Investment Grade Credit Index Fund	1.16
Aberdeen Standard OEIC V UK Income Unconstrained Equity Fund	3.37	ASI Strategic Investment Allocation Fund	17.63
Investec UK Alpha Fund	4.03	Standard Life Investments II ICAV Active Overlay Fund	14.27
J O Hambro Capital Management UK Dynamic Fund	4.48	GBP Cash	0.51
Lazard UK Omega Fund	3.32	<b>Total</b>	<b>100.00</b>
LF Tellworth UK Smaller Companies Fund	1.99		

Please note that the Portfolio and Asset class breakdowns shown on this page are based on abrdr MPS, Discretionary hosted on the abrdr WRAP platform. The data is correct as at 31/10/2021.

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

Source: abrdr

The portfolio is reviewed and rebalanced as appropriate. A more fundamental review of fund selection and asset allocation is completed on a quarterly basis.



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.

The Strategic Investment Allocation Fund is designed to be used as 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 generate an absolute return when viewed with other assets in a client portfolio. As a result, if other assets in the portfolio are performing well, this fund may not produce a positive return.

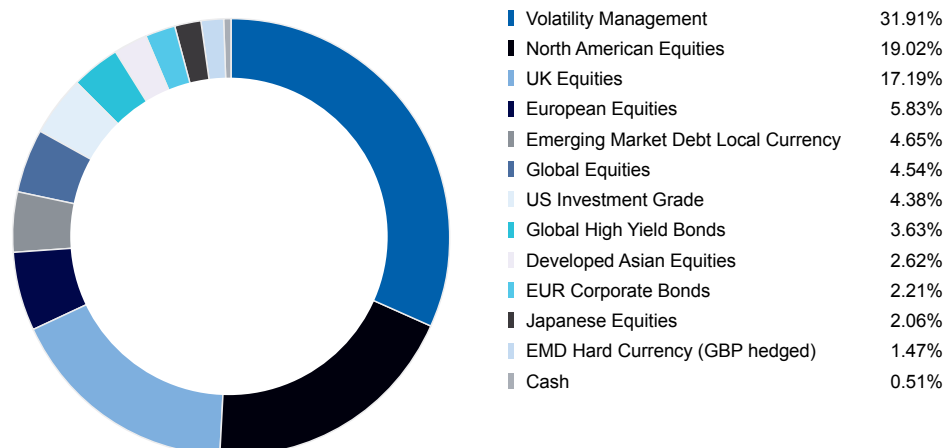
The Active Overlay Fund is designed to be used part of a strategic approach to individual client wealth objectives and should not be considered as a stand-alone investment.

The Fund is designed to act as a complementary diversifying influence on a abrdr 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.



## Target Return Portfolio 5 asset class breakdown



As at 31 October 2021

### Important information

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abrdnCL\_MPS\_IS05TR\_TCM 1021

Distribution Hub ID: GB-121121-160943-32

