

# MyPortfolio Index Plus SMA

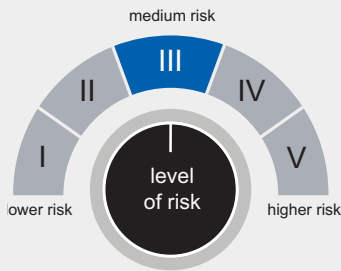
## Portfolio III – Quarterly Update

Q4 2022

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\*:



### 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. abrdn 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.

- 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

The 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. We work closely with our colleagues with expertise in long-term asset class research, portfolio optimisation and risk modelling to 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

#### Daniel Reynolds Investment Manager

Daniel is an Investment Manager responsible for co-managing MyPortfolio SMAs. Prior to joining the the Multi-Manager Strategies team at the end of 2013, he worked for the company as a Private Client Manager for 13 years.

#### 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 in aggregate over the fourth quarter of 2022. Early in the quarter, equities rebounded from falls earlier in the year. This performance was driven by the expectation that the US Federal Reserve (Fed) would slow the pace of rate increases, as US inflation was decelerating. However, global equities fell in December, as investors grew concerned about the slowing global economy, the possibility of a recession and rising cases of Covid-19 in China.

The Fed, the Bank of England (BoE) and the European Central Bank (ECB) all raised interest rates twice over the quarter, by 75 basis points (bps) and 50 bps. The 50 bps rate rises marked a deceleration in the pace of monetary tightening, but all three central banks stressed that further action would be needed to moderate high inflation.



\*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 abrdn SMA hosted on the abrdn WRAP platform.

Performance figures are net of the abrdn 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 (%) 4th Quarter 2022	Performance (%) 1 year	Performance (%) Since Inception <sup>1</sup>
MyPortfolio Index Plus SMA Portfolio III	4.41	-8.29	2.78

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

<sup>1</sup>16/05/2019 - 31/12/2022

Source: abrdn as at end December 2022

### MyPortfolio Index Plus SMA Portfolio III - Performance: inception to end Q4 2022



Source: abrdn as at end December 2022

**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*	0.212%
Total estimated cost	0.362%

\*Estimate based on portfolio at end December 2022 (subject to change)

## Market outlook

Global equity markets will continue to face challenges in 2023. Investors are now concerned that entrenched inflation and sustained rate hikes could result in a harsh economic downturn. We believe that many of the market pressures in 2022, such as high energy prices, the cost-of-living crisis and rising interest rates, will continue.

In fixed-income markets, although the Fed, the BoE and the ECB raised rates by 50 bps rather than 75 bps at their last meetings, they stressed that further action is required. Fed chair Powell stated that "ongoing hikes will be appropriate". ECB president Lagarde confirmed that investors could expect rate rises "at a 50-basis-point pace for a period of time". In the UK, we believe the BoE could raise rates to 4.5% next year before it begins to cut rates in the second half.



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.

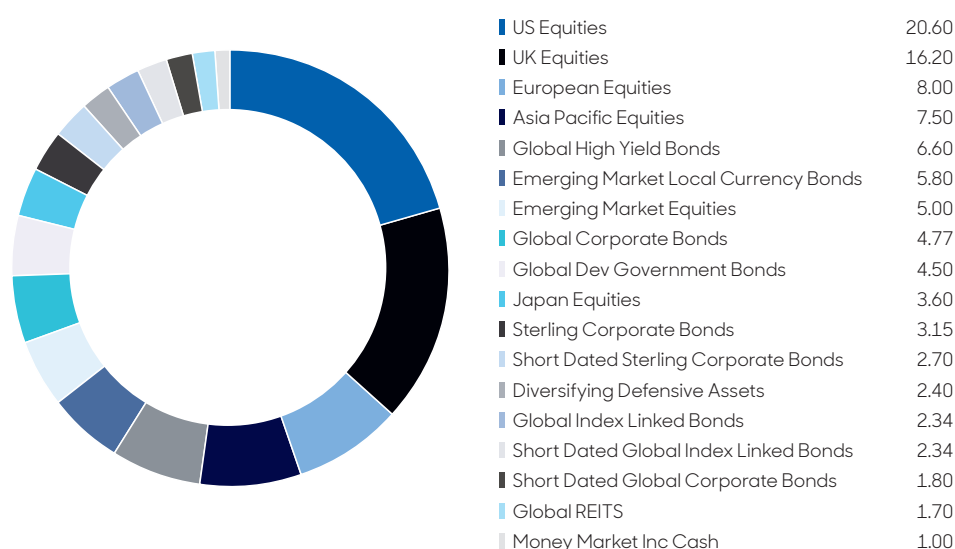


## MyPortfolio Index Plus SMA Portfolio III – Composition by fund exposure

Holding	Fund (%)	Holding	Fund (%)
abr dn American Equity Enhanced Index	14.42	ASI Short Dated Sterling Corp Bond Tracker	2.70
ASI UK Equity Enhanced Index	11.34	Twentyfour Absolute Return Credit	2.40
abr dn Asia Pacific Equity Enhanced Index	7.50	ASI Global Inflation-Linked Bond Tracker	2.34
ASI European Equity Enhanced Index	7.20	ASI Short Dated Global IL Bond Tracker	2.34
PIMCO Global Inv Grade Bond	6.60	ASI North American Smaller Companies	2.06
ASI Emerging Markets LC Bond Tracker	5.80	ASI Short Dated Global Corp Bond Tracker	1.80
ASI Global Corporate Bond Tracker	4.77	ASI Global REIT Tracker	1.70
Aberdeen Standard Global Govt Bond Tracker	4.50	ASI UK Smaller Companies	1.62
ASI Emerging Markets Equity Enhanced Index	4.25	Cash and Money Markets	1.00
ASI American Equity Tracker	4.12	ASI Europe ex UK Smaller Companies	0.80
ASI Japan Equity Enhanced Index	3.60	Aberdeen Standard Emerging Markets Smaller Cos	0.75
ASI UK All Share Tracker	3.24		
ASI Sterling Corporate Bond Tracker	3.15	<b>Total</b>	<b>100.00</b>

Source: abr dn  
Portfolio breakdown at end December 2022

## MyPortfolio Index Plus SMA Portfolio III – Asset class breakdown (%)



Source: abr dn  
Asset class breakdown at end December 2022

### Important information

abr dn is a global business providing a range of services to help clients and customers plan, save and invest. abr dn group uses different legal entities to meet different client and customer needs. Some elements of the abr dn client experience may contain previous brand names until all brand name changes have completed.

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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