

# Target Return Managed Portfolio Service

Monthly Performance Update - 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) offers a range of five managed portfolio strategies.

The Target Return Managed Portfolio Service gives clients access to the portfolio construction and risk management skills of abrdn's Discretionary Investment Management team. The Discretionary Investment Management team utilises independent strategic asset allocation advice from Moody's Analytics, combined with tactical insights from the Multi-Asset Investing Team at abrdn.

This approach utilises a blend of active and passive exposures, depending on the Discretionary Investment Management 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 qualitative and quantitative research, including face-to-face meetings with the fund managers. It also leverages the considerable expertise of the abrdn's Multi-Manager Strategies Team.

Portfolio performance is based on abrdn MPS hosted on the abrdn WRAP platform.

Please note that model portfolio constituents and performance may vary on other platforms.

Performance figures shown are net of the abrdn's discretionary management fee. 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. In addition, MPS portfolios are subject to fund level annual management charges, which vary over time in line with the composition of the portfolio.

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 client's portfolio can go down as well as up and may be worth less than invested.

## Performance (%) to 31/10/2021 - Target Return

	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Strategy 5	Cash**
1 month	0.25	0.18	(0.03)	(0.09)	(0.10)	(2.86)
3 months	(0.77)	(0.73)	(0.65)	(0.33)	(0.08)	(2.84)
6 months	(0.11)	(0.22)	(0.51)	(0.43)	(0.29)	(2.82)
1 year	2.18	3.87	5.41	6.94	8.59	(2.79)
3 years	10.63	12.54	16.18	18.45	17.69	(1.40)
YTD	(1.16)	(0.79)	(0.48)	0.14	0.94	(2.79)
Since Inception (03 May 2011)*	25.44	32.07	38.36	39.54	36.83	4.32
Volatility since inception*	2.89	3.79	4.65	5.17	5.74	0.90

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

\*03/05/2011 - 31/10/2021

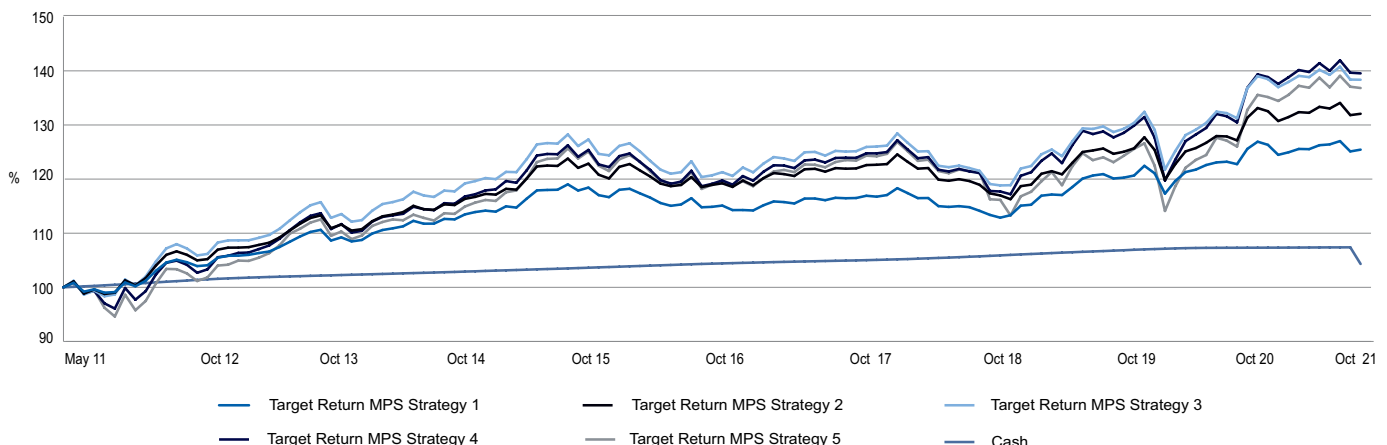
\*\* SONIA

Volatility calculated using daily returns.

Portfolio performance figures are based on model portfolios and should be considered as a representative performance. The actual client performance might differ due to the frequency and timing of rebalancing.

Please note: the portfolio has not been available on all platforms since inception.

## Target Return MPS Strategies Since Inception (03/05/2011)



## Asset allocation for Target Return MPS

Volatility management is achieved via exposure to the Standard Life Strategic Investment Allocation Fund (SIA Fund). This is complemented by a holding in the Standard Life Investments Active Overlay Fund, which adds alternative return-seeking strategies to the portfolio. Both funds use derivatives and other financial instruments that can significantly alter the physical asset allocation.

### Current asset allocation (as at 31/10/2021)

Defensive assets	I (%)	II (%)	III (%)	IV (%)	V (%)
Cash	0.51	0.51	0.51	0.51	0.51
Money Market	27.09	12.32	-	-	-
EMD Hard Currency (GBP hedged)	0.49	0.73	1.00	1.96	1.47
Emerging Market Debt Local Currency	2.64	3.62	4.65	5.36	4.65
EUR Corporate Bonds	1.50	2.00	2.49	2.37	2.21
Global High Yield Bonds	1.76	2.53	3.24	4.08	3.63
UK Corporate Bonds	5.99	4.51	4.27	-	-
UK Corporate Bonds 1-5 Years	6.31	5.05	4.99	0.97	-
UK Government Bonds	13.80	11.28	4.96	2.67	-
US Investment Grade	2.97	3.97	4.99	4.68	4.38
Volatility Management	14.95	21.24	27.62	30.16	31.91
<b>Total</b>	<b>78.01</b>	<b>67.76</b>	<b>58.72</b>	<b>52.76</b>	<b>48.76</b>

Growth assets	I (%)	II (%)	III (%)	IV (%)	V (%)
Global Infrastructure	5.06	5.08	5.10	4.01	-
Global REITS	0.15	1.61	1.90	-	-
Developed Asian Equities	0.53	0.94	1.36	2.01	2.62
European Equities	2.25	3.32	4.47	5.17	5.83
Global Equities	3.07	4.11	5.11	4.86	4.54
Japanese Equities	0.42	0.74	1.07	1.59	2.06
North American Equities	4.36	7.28	10.08	14.82	19.02
UK Equities	6.14	9.15	12.18	14.77	17.19
<b>Total</b>	<b>21.98</b>	<b>32.23</b>	<b>41.27</b>	<b>47.23</b>	<b>51.26</b>

Source: Data as at 31/10/2021 based on abrdn MPS, Discretionary managed via the abrdn WRAP platform.

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 SIA Fund is complemented by holdings in the Standard Life Investments Active Overlay Fund, which aims to add alternative return-seeking strategies to the portfolio.

The use of derivatives in the funds may result in increased volatility in their fund's price.

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.

**For a detailed investment commentary, please see our Quarterly Reports located in the Investment Centre section of [www.adviserzone.com](http://www.adviserzone.com)**

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