



abrdn Managed Portfolio Service

Risk Mapping – January 2021

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Managed Portfolio Service Risk Mapping

Conventional - Managed Portfolio Service

The following mapping is designed to help advisers who use the systems listed below to select the Managed Portfolio Service strategy that is most appropriate to their clients' risk profiles.

Conventional MPS Strategies	Conventional – Managed Portfolio Service Descriptions	Distribution Technology	FinaMetrica Score	Defaqto	ORRA	EValue	Synaptic
Conventional – Portfolio 1	Portfolio 1 is designed to provide an income focused return over the longer term. It's expected to invest predominantly in low risk assets. Portfolio 1 is primarily focused on producing an income and the potential for capital growth is limited. It may be suitable for clients who are prepared to accept a relatively small level of investment risk.	3	27-40	3	2	2	2.3
Conventional – Portfolio 2	Portfolio 2 is designed to provide an income focused return over the long term. It's expected to invest predominantly in low to medium risk assets. Portfolio 2 seeks to achieve a competitive level of income, the potential for capital growth may be limited. It may be suitable for clients who are prepared to accept a below average level of investment risk.	4	43-54	4	3	3	2.7
Conventional – Portfolio 3	Portfolio 3 is designed to provide a balanced return from income and capital over the longer term. It may be suitable for clients who are prepared to accept an average level of investment risk.	5	54-65	5	3	4	3.4
Conventional – Portfolio 4	Portfolio 4 is designed to provide a capital return over the longer term, with a lesser emphasis on income. It may be suitable for clients who are prepared to accept an above average level of investment risk.	6	68-82	7	4	4	4.3
Conventional – Portfolio 5	Portfolio 5 is designed to generate a capital return over the longer term via higher risk assets such as equities. Income is not a consideration though the portfolio may deliver a low yield. It may be suitable for clients who are prepared to accept a higher level of investment risk.	7	75-100	8	4	5	4.8

The mapping summarises the relationship between risk ratings and our **Conventional Managed Portfolio Service** strategies. It should be noted that most risk questionnaires assess an investor's attitude to risk only. As per FCA guidance investors together with their advisor should also consider other factors such as capacity for loss and investment horizon in their decision making.

The mapping may be subject to future changes dependant on the investment performance or composition of the five Managed Portfolio Service Strategies.

Managed Portfolio Service Risk Mapping

Sustainable - Managed Portfolio Service

The following mapping is designed to help advisers who use the systems listed below to select the Managed Portfolio Service strategy that is most appropriate to their clients' risk profiles.

Sustainable MPS Strategies	Sustainable – Managed Portfolio Service Descriptions	Distribution Technology	FinaMetrica Score	Defaqto	ORRA	EValue	Synaptic
Sustainable – Portfolio 1	Portfolio 1 aims to maximise return over the long term, whilst targeting volatility in the region of 20-40% of global equities. It is likely to be suitable for clients who are prepared to accept a very low level of risk during the term of their investment.	3	14-33	2	1	3	2.0
Sustainable – Portfolio 2	Portfolio 2 aims to maximise return over the long term, whilst targeting volatility in the region of 35-55% of global equities. It is likely to be suitable for clients who are prepared to accept a low level of risk over the term of their investment.	4	38-49	3	2	4	2.7
Sustainable – Portfolio 3	Portfolio 3 aims to maximise return whilst targeting volatility in the region of 50-70% of global equities. It is likely to be suitable for clients who are prepared to accept a medium low level of risk over the term of their investment.	5	50-61	4	3	5	3.6
Sustainable – Portfolio 4	Portfolio 4 aims to maximise return whilst targeting volatility in the region of 65-85% of global equities. It is likely to be suitable for clients who are prepared to accept a medium level of risk over the term of their investment.	6	60-72	5	3	6	4.4
Sustainable – Portfolio 5	Portfolio 5 aims to maximise return whilst targeting volatility in the region of 80-100% of global equities. It is likely to be suitable for clients who are prepared to accept a medium high level of risk over the term of their investment.	7	70-88	6	4	6	5.2

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Managed Portfolio Service Risk Mapping

Target Return - Managed Portfolio Service

The following mapping is designed to help advisers who use the systems listed below to select the Managed Portfolio Service strategy that is most appropriate to their clients' risk profiles.

Target Return MPS Strategies	Target Return – Managed Portfolio Service Descriptions	Distribution Technology	FinaMetrica Score	Defaqto	ORRA
Target Return – Portfolio 1	Portfolio 1 is designed with the aim of minimising the possibility of investment falling in value, while producing returns greater than those achievable in a deposit account over a three year period. It is the lowest risk of the Target Return MPS strategies and is likely to be suitable for investors who are only prepared to accept a relatively small amount of risk during the time horizon of their investment.	3	30-42	3	1
Target Return – Portfolio 2	Portfolio 2 runs more risk than portfolio 1 but is still a lower risk portfolio. It is designed for investors who will accept that some risk is required to meet their growth aspirations but will want to keep the extent and length of negative growth periods to a minimum. Likely to be suitable for those who under normal circumstances, would not expect their investments to rise and fall sharply in value.	4	38-49	4	1
Target Return – Portfolio 3	Portfolio 3 looks to find the optimum balance between risk and return potential. It is designed for those who will accept that risk is required to meet their growth aspirations but also will want to manage the extent and length of negative growth periods. Most likely to be suitable for investors who are prepared to accept an average level of risk during the time horizon of their investment.	4	43-54	5	2
Target Return – Portfolio 4	Portfolio 4 places more emphasis on growth potential than Portfolio 3, while still looking to manage overall investment risk. Designed for investors who are prepared to accept a higher than average level of risk during the time horizon of their investment in order to access greater return potential. Suitable for those willing to accept that this will increase the risk of larger fluctuations in the value of their investments.	5	49-60	6	2
Target Return – Portfolio 5	Strategy 5 places the greatest emphasis on potential return. There is still a robust focus on risk management within the portfolio but this is tempered as a result of pursuing opportunities that offer higher growth potential. It is likely to be suitable for customers who are willing to accept sharp fluctuations in the value of their investments in order to seek higher potential returns over the long term.	5	53-64	6	3

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The mapping may be subject to future changes dependant on the investment performance or composition of the five Managed Portfolio Service Strategies.

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