

Professional Financial Advisers only. It should not be distributed to or relied upon by retail clients.

abrdn Money Market Managed Portfolio Service

abrdn.com

Contents

Overview	3
Meeting client demand	3
abr dn Money Market MPS on abr dn platforms	4
Investment objectives and policy	5
Important information about money market funds	6



Introduction

Overview

The abrdrn Money Market Managed Portfolio Service offers an alternative low-risk money market solution, whilst benefiting from a single view of client assets on platform. It aims to provide returns closely aligned to the Bank of England base rate (before fees). This solution complements the existing portfolio, which offers a range of solutions to meet clients' different investment preferences and attitude to risk.

abrdrn Money Market MPS provides you and your clients with a solution that is a robust alternative to cash and is available on the abrdrn Wrap and Elevate platforms.

It will be wholly invested in open-ended money market funds as we believe that this provides the optimal solution to generate the cash-like returns with a lower level of risk for you across the universe of available options.

Meeting client demand

The Money Market MPS solution was launched on 31 January 2024 for performance purposes and became available on our platforms on 21 February 2024. The solution has been created in response to the high interest rate environment, which led to customer demand for lower-risk cash-like solutions to take advantage of the rise in interest rates. Creating a Money Market MPS allows you to greater diversify your Centralised Investment Proposition (CIP) and meet client demand for a cash-like solution on the platform. It also enables you to effectively manage your clients' portfolios in one place.



abrdrn Money Market MPS on abrdrn platforms

The abrdrn Money Market MPS is exclusively available on abrdrn Wrap and Elevate.

Where is Money Market MPS available?

The solution is only available on abrdrn Wrap and Elevate platforms. It can be accessed from within all tax wrappers available on the platforms (with the exception of the Onshore Bond).

If you've already signed a Terms of Business (ToB) with abrdrn Portfolio Services Limited, you will automatically get access to abrdrn Money Market MPS. You'll see this option, alongside the other abrdrn MPS portfolio ranges, when you log in to Wrap or Elevate.

If you have not already signed a ToB, you will need to do so before using abrdrn MPS. Speak to your usual abrdrn contact to arrange this.

Once the ToB is signed, the process is quick and simple. Platform permissions should be enabled within 24hrs.

Is this for new and existing customers?

Yes, both new and existing Wrap and Elevate customers will be able to invest in our Money Market MPS.

What are the benefits of having access to a Money Market MPS solution on platform?

The platform provides you with the flexibility to mix and match model portfolios, allowing clients to diversify their portfolio and gain access to a solution aimed at delivering returns aligned to the Bank of England base rate (before fees). This allows assets to be retained on platform where you can service the full portfolio for your clients.

The expected return for the investor is to closely align to the Bank of England base rate before fees. The current gross yield of the portfolio is approximately 5.2%, while the BOE base rate stands at 5.24% (as at 29 February 2024).

The value of investments can go down as well as up and your client may not get back their original investment.

Can you mix and match portfolios?

Yes. Wrap and Elevate provide the flexibility to hold more than one portfolio in a client's tax wrapper.

What will it cost?

It will have an OCF of circa 0.11% and minimal 0.05% MPS fee to cover the cost of managing the portfolio and rebalancing, giving an overall cost of 0.16% (excluding transaction costs).

How does abrdrn Money Market MPS compare to a bank deposit or an ISA account?

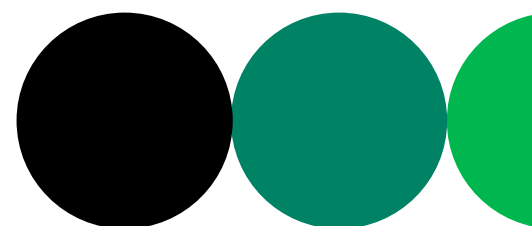
Unlike some deposit accounts or ISA products, the Money Market MPS allows clients to invest within a range of tax wrappers with no minimum time period. This means that the option can be used to meet varying needs for you and your clients.

Will the portfolio be rebalanced?

Yes – the portfolio will be rebalanced on a quarterly basis.

How long will the cash need to be invested for?

There is no minimum investment period, meaning your clients have full flexibility on their investment.



Investment objectives and policy

What is the investment objective for abrdn Money Market MPS?

The portfolio's objective is to preserve capital and provide liquidity whilst aiming to provide a return in line with prevailing short-term money market rates (gross of fees), for which Sterling Overnight Interbank Average (SONIA) has been chosen as a performance comparator.

What is the SONIA benchmark and does that differ from Bank of England's base rate?

The SONIA is a benchmark rate that is derived from actual transactions that banks pay to borrow Sterling overnight from other financial institutions and other institutional investors. It reflects the average level of interest that is paid across these transactions.

What is the investment and fund selection approach utilised to create abrdn Money Market MPS?

The investment process for the abrdn Money Market MPS solution looks to make available a diversified portfolio of money market funds for your clients' use on the Wrap and Elevate platforms.

The abrdn MPS investment team work closely with our colleagues on the abrdn Multi Manager Strategies team to identify investment teams from across the industry who can provide money market investment solutions which are large, liquid and well-diversified in nature.

Once these teams have been identified, the abrdn MPS team undertake rigorous due diligence of their investment approach, focusing especially on credit analysis, risk management and liquidity profiling to ensure that the necessary rigour is in place.

From a portfolio construction perspective, we look to ensure that there is not an over-reliance on any one vehicle and the balance between diversification and conviction is implemented and maintained through regular rebalancing.

What can be classified as money market instruments – i.e. what may be held in the portfolios in which we invest client assets?

Money market instruments are short-term, liquid investments issued by public institutions or companies.

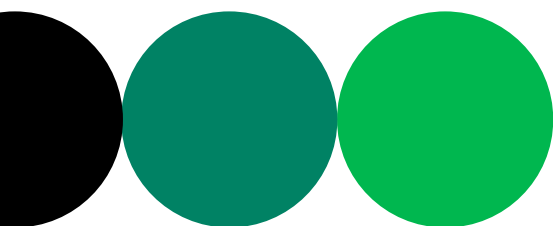
They can include but are not limited to:

- Short term government paper
- Certificates of deposit
- Floating rate notes
- Repurchase agreements
- Reverse repurchase agreements
- Commercial paper

There are different types of liquidity funds available on the market – are there funds we believe are more (or less) appropriate to deliver the client outcomes we seek?

There are money market funds that are looking to provide enhanced returns above cash by increasing the level of credit exposure or length of maturity from the securities that they invest. This isn't the type of fund that we are looking to utilise within this solution.

The funds that we believe are appropriate for abrdn Money Market MPS are investing in high-quality fixed interest and money market instruments with a focus on preserving capital while providing a moderate level of income.



Important information about money market funds



Investing in a money market fund isn't the same as putting cash on deposit. What are the main differences a client and adviser should be aware of?

Typically, when a client puts cash on deposit it is with a single institution for a set period of time and in return the client receives a stated level of interest.

A client who invests in a money market fund has their assets managed by an investment manager who looks to provide a diversified exposure to a broad range of institutions through a wide range of securities e.g. certificates of deposits, commercial paper, floating rate notes, time deposits, repurchase agreements. The length of maturity of these securities will vary, as will the level of interest that is received. These securities are typically short maturity (less than 397 days), while the overall funds must have a weighted average maturity (WAM) of less than 60 days.

The investment manager is looking to provide a return in excess of the Sterling Overnight Interbank Average (before fees) with limited credit risk via a well-diversified portfolio.

How are investors in the abrdn Money Market MPS protected?

The MPS is managed by abrdn Portfolio Solutions Limited (aPSL), but in the event of aPSL's insolvency the client's assets and cash are not held by them. Investments on our platforms are registered in the name of the platform provider's nominee.

In respect of our platform providers (Standard Life Savings Limited and Elevate Portfolio Services Limited), client's investments are held in nominee accounts which are separate from the platform provider's assets.

Where the MPS solution invests in funds domiciled in the UK, managers of mutual funds in the UK are required by the Financial Conduct Authority (FCA) to appoint a custodian or depository responsible for safekeeping assets and in certain circumstances, a claim may be made against the Financial Services Compensation Scheme in the UK (FSCS). If the claim is successful, the FSCS could cover up to £85,000. Where the MPS solution is invested in funds domiciled outside of the UK, UK investors are unlikely to be able to make a claim under the FSCS against a firm which is not authorised by the FCA. For more information, please consult the prospectuses of the underlying funds. Where the investment is held within the International Portfolio Bond for Wrap, the FSCS will not be accessible. However, the policy provider (Standard Life International Dac) is a financially robust company, holding capital well in excess of its regulatory requirements.

What are the risks?

A money market fund is not a guaranteed investment and is different from an investment in deposits.

The risk indicator for all funds we have selected is risk indicator 1 (based on the standard methodology used in the KIIDs).

Whilst this is the lowest risk category, it does not mean investing in a portfolio of money market funds is risk-free.

The following risks have been taken into account, based on historical data gathered in relation to the nature of investments in each of the funds we hold:

Key Risks

- **Money Market Fund Risks:** A Money Market Fund is not a guaranteed investment, and is different from an investment in deposits. The principal invested in these funds is capable of fluctuation and the risk of loss of the principal is to be borne by the investor. The underlying funds do not rely on external support for guaranteeing liquidity or stabilising their NAV per share.
- **Interest Rate Risk:** Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

Important information about money market funds

- **Credit Risk:** Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.
- **EPM Techniques:** Underlying funds may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.
- **Counterparty Risk:** The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- **Inflation Risk:** Where the income yield is lower than the rate of inflation, the real value of your investment will reduce over time.

For more information on any/all of these risks, refer to the KIID for each fund held, or the consolidated KIID that is available on the Wrap and Elevate platforms.



Further information

If you'd like more information about the abrdn Money Market MPS, please visit our website at abrdn.com/mps

Here you can download a copy of the fund fact sheet and find out additional information about the abrdn MPS range.

Get in touch

If you would like to meet one of our team or request an abrdn Terms of Business, please send us an email to abrdnportfoliosolutions@abrdn.com

There is no guarantee that any email you send will be received or will not have been tampered with. You should not send personal details by email.

The value of investments can go down as well as up, and may be worth less than originally invested.

abrdn Portfolio Solutions Limited is registered in England (08948895) at 280 Bishopsgate, London EC2M 4AG and authorised and regulated by the Financial Conduct Authority.

MPS005 ©abrdn plc 2024. All rights reserved.

For more information visit abrdn.com/adviser

abrdn.com

STA0324790276-001