



**aberdeen**  
Investments

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# MyFolio Due diligence report

July 2025

[aberdeeninvestments.com](https://www.aberdeeninvestments.com)

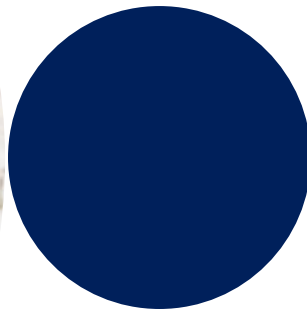
# About Aberdeen Investments

**Aberdeen Investments is dedicated to helping investors around the world reach their desired investment goals and broaden their financial horizons.**

We seek to provide world-class investment expertise across a breadth of markets and asset classes. Our full range of solutions spans equities, multi-asset, fixed income, liquidity, real estate and private markets. Coupled with a range of investment approaches, from quantitatively-managed enhanced index to highly active alpha-seeking strategies, we transform new investment ideas into practical investment products designed to deliver real value for money to investors.

We have a large team of investment professionals with approximately 643 portfolio managers, analysts and product, risk and trading specialists located globally ensuring close proximity to our clients and the markets in which we invest. In addition, we have 417<sup>1</sup> client specialists working closely with investors and professional advisors to understand their goals and aiming to deliver innovative, world class investment solutions. Today, we manage £369.7bn<sup>1</sup> in assets on behalf of insurance companies, sovereign wealth funds, independent wealth managers, pension funds, platforms, banks and family offices.<sup>1</sup> As a global investor, we look to leverage our scale and market leadership to raise standards in both the companies and industries in which we invest, and drive best practice across the asset management industry.

**The value of your investments, and the income from them, may fall or rise and investors may get back less than they invested. Past performance is not a guide to future results.**



<sup>1</sup> Figures as at 31 December 2024.

# MyFolio investment process

## The MyFolio funds are managed by the Client Investment Solutions team at Aberdeen Investments.

The Aberdeen Investments team is supported in the management of the MyFolio funds by a number of our key investment professionals, in the Strategic and Tactical Asset Allocation, Fund Selection and Governance functions.

### Strategic Asset Allocation

The Strategic Asset Allocation (SAA) for the funds is determined by Aberdeen Investments and combines both internal and external expertise. The SAA is formally reviewed on a quarterly basis on completion of the analysis of the risk and return of all our MyFolio fund ranges.

The aim of the SAA process is to select the optimal mix of assets for the given risk target of each portfolio, based on a ten year investment horizon. The SAA is founded on sound investment principles – it is focused on the long-term, diversified across a broad range of differentiated asset classes and is valuation-aware.

Unlike many traditional multi-asset strategies, the SAA is not constrained by a formal reference benchmark; rather it is designed to identify the most attractive portfolios based on the expected returns, volatilities and correlations of the underlying assets.

The resulting asset allocations are used to populate the asset mix 'pots' for the MyFolio Index, Enhanced ESG and Enhanced ESG Index ranges.

### SAA for MyFolio Core, Multi-Manager

Aberdeen Investments believe that there are benefits from exploring additional diversifying assets in the MyFolio Core and Multi-Manager ranges.

### Tactical Asset Allocation

Tactical Asset Allocation (TAA) positions for the, Core and Multi-Manager will be decided by the Multi-Asset and Investment Solutions Team within Aberdeen Investments. The Multi-Asset and Investment Solutions Team will apply their tactical investment views to fine tune the strategic asset allocation and take advantage of shorter term opportunities to improve performance or mitigate risk.

In practice this will tilt the strategic asset allocation benchmarks in the direction of favoured asset classes over the shorter term. The TAA positions implemented across the multi-asset portfolios are reviewed on a regular basis with any changes being driven by a change in recommendation from the Global Investment Group (GIG), the team that collates our House View or by a change in the benchmark weighting in a specific asset class.

The nature of the five risk based funds requires disciplined strategic risk controls consistently applied across the suite of funds, therefore the maximum TAA positions permissible within each asset class is + / - 5%. An additional risk control is also applied at defensive and growth assets level. This higher level constraint is at the same level of + / - 5%.

### Fund Selection

#### MyFolio Index Funds

This range invests primarily in a range of tracker funds managed by Aberdeen Investments that replicate the performance of the strategic asset class benchmarks. These underlying funds will, therefore, follow their respective index down as well as up.

#### MyFolio Core Funds

This range invests from a broad investment universe that includes internal and external managers and can incorporate both active management and lower-cost Index funds. MyFolio Core includes allocations to diversifying defensive assets which offer a different expected return profile to traditional asset classes, and as such provide further diversification benefits to the range.

# MyFolio investment process

## MyFolio Multi-Manager Funds

This range invests in carefully selected funds from some of the leading managers in the market.

MyFolio Multi-Manager includes allocations to diversifying defensive assets which offer a different expected return profile to traditional asset classes, and as such provide further diversification benefits to the range.

## MyFolio Enhanced ESG Index

This range invests mainly in enhanced index funds with a particular consideration of ESG factors.

## MyFolio Enhanced ESG

This range invests mainly in active, passive and enhanced index ESG focused and impact funds focussed on doing more good and less harm.

## Portfolio Construction

From a rigorously researched position, we construct efficient, well-diversified, active portfolios with a risk/reward profile appropriate to the fund's stated mandate. In doing so, we will seek to generate superior risk-adjusted returns in a consistent manner throughout the economic cycle.

Once we invest in a fund, it is continuously monitored in order to identify any changes that could impact future returns. We recognise the importance of having a strong sell discipline and therefore consider our monitoring process as important as the initial selection. Monitoring our risk exposures also allows us to highlight any unintended risks that may emerge in our portfolios, so that we can remove them before they begin to impact returns.

The fund managers have ultimate responsibility for ensuring that any fund selected is an appropriate selection for the asset class the fund has been chosen to represent.

## Fund Rebalancing

We aim to always keep trading costs to a minimum whilst ensuring funds remain within their agreed risk parameters.

Fund holdings are reviewed daily to determine what, if any, re-balancing is required as a result of market movements and cash flow. Daily re-balancing back to an exact pre-determined TAA position without any tolerance levels would, we believe, be counter productive from a cost perspective.

As such we consider three key areas on a daily basis, asset allocation tolerance, portfolio tracking error and deal size to determine our dealing strategy for the fund.

**Asset allocation tolerance** – we aim to keep the daily positions of each asset class within +/-1.25% of the TAA position.

**Portfolio tracking error** – we aim to have a low daily tracking error relative to the default portfolio position.

**Deal size** – deal sizes are considered to ensure dealing costs are not disproportionately high relative to the cash allocation.

Before any deals are struck we go through an iterative process that determines the most cost effective dealing strategy taking into account the above factors. We believe we add value through this process by keeping dealing costs low whilst ensuring the funds remain within their defined risk parameters.

The MyFolio Index, MyFolio Enhanced ESG and MyFolio Enhanced ESG Index ranges are regularly rebalanced back to their respective risk level SAA.



# MyFolio investment process

## Risk Management & Control

### Portfolio Risk Management

There is an extensive risk management infrastructure to ensure that the Multi-Asset and Investment Solutions Team operate within the investment framework. Risk is monitored and controlled by a combination of organisational structures and processes. There are three distinct groups engaged in the risk management process for MyFolio.

**Managed and Model Solutions Team** – undertakes risk analysis at portfolio level. On top of backward looking risk measures such as information ratios, monthly underlying holdings are received from fund groups to understand forward looking risk indicators. For all funds we own (and before purchase of a new fund), we insist on monthly portfolio holdings data by the 15th day of every month. For all investment groups that we deal with, we have arranged Non-Disclosure Agreements which are signed-off by both parties' legal teams to ensure confidentiality.

**Investment Risk Team** – our Investment Risk Team works independently and are responsible for monitoring the performance and risk characteristics of the portfolios managed at Aberdeen Investments. We utilise Industry standard systems – such as RiskMetrics, SunGard APT and UBS Delta to measure and monitor risk.

**Investment Governance Team** – working independently this team is responsible for ensuring the consistency and integrity of the operation of the investment process versus specification/mandate.

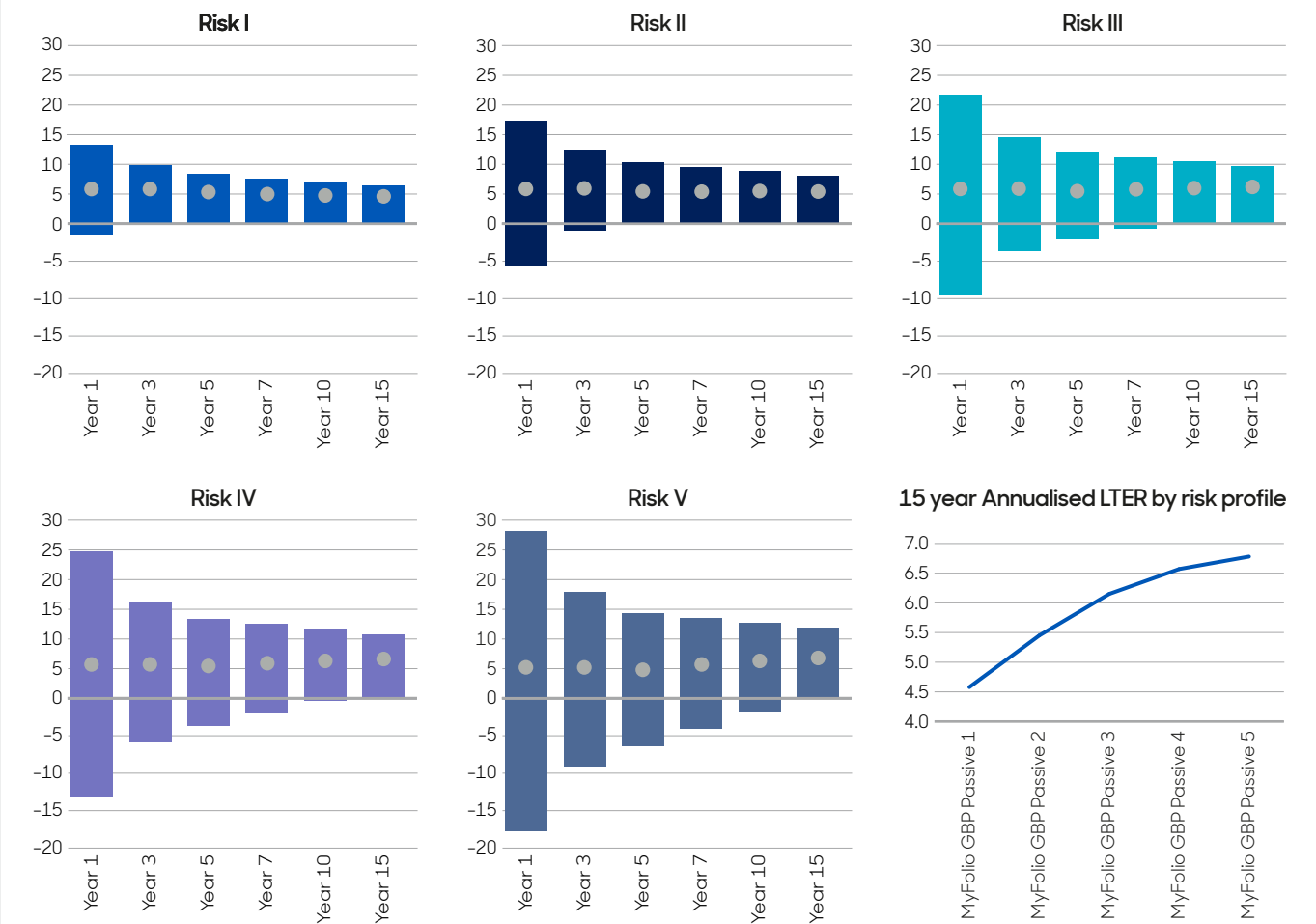
### Risk Management

The Investment Restrictions Control Team's sole responsibility is to monitor positions within funds on a daily basis, and ensure compliance with regulatory and client-driven investment restrictions and guidelines. This team is managed independently from our asset management teams and reports to the Director of Investment Governance.



# Long term return expectations

The charts illustrate the expected returns of the MyFolio Index range over different rolling time frames. By examining how the funds performed in both good and bad market conditions, we gain insights into short-term versus longer-term performance. Here's a summary of the returns:



Source: Aberdeen Investments, May 2025, based on the long-term strategic asset allocation of the Aberdeen Investments MyFolio Index range. For the purpose of this illustration, our asset allocations have incorporated return estimates created by Aberdeen Investments. Projected returns do not take account fund, potential product charges, the cost of advice, or the potential increase difference in returns resulting from short-term asset allocation changes or fund selection.

The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested. Past performance is not a guide to future results.

# Strategic asset allocation committee

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## The Strategic Asset Allocation Committee

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**Katie Trowsdale**

Head of Public Market Solutions

Katie is head of the Managed and Model Solutions team, where she is co-manager of the flagship MyFolio funds, including the MyFolio Enhanced ESG funds.

**Robert Bowie**

Senior Investment Director, Multi-Asset

Rob co-manages the MyFolio Multi Manager and Core ranges. He joined the company in 2009 after the acquisition of certain asset management businesses from Credit Suisse Asset Management.

**Yan Cheung**

Senior Manager, Investment Risk

Yan is responsible for the investment risk monitoring of the Core and Model Solutions within Investment Governance.

**Daniel Reynolds**

Investment Director

Daniel is a co-manager of the MyFolio, Index, and Enhanced ESG Index ranges. He also oversees Virgin Money, Irish MyFolio, and MPS. Daniel has been a valuable member of the company since 2013.

**Adrianna Zbierska**

Product Manager

Adrianna oversees investment compliance monitoring for the Core and Model Solutions within the Product Strategy and Solutions team.

**Max Macmillan**

Investment Manager, Research

Max is responsible for generating Aberdeen Investments views about long-term investment returns for asset classes, and advising on optimal long-term asset allocation.

**Darren Ripton**

Head of Investments, Discretionary

Darren joined the company in 2007 and now oversees the day-to-day investment process within the Discretionary business. His 20+ years of investment experience have contributed to the development of the fund selection and portfolio construction process used by the discretionary investment team.

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## Standard invitations are open to the following:

**Darren Wolf**

Head of Multi-Asset and  
Alternative Investment Solutions

We review the Strategic Asset Allocation (SAA) for each of the funds every quarter, with the aim of ensuring that we continue to meet investors' long-term investment expectations. At the most recent quarterly review, the SAA Committee concluded that a change in asset allocation would improve the prospects for long-term, risk-adjusted returns relative to those based on the previous strategic mix.

Within the defensive assets, we increased duration by reducing the exposure to short-dated sterling and short-dated global corporate bonds in favour of global developed government bonds, global index-linked bonds, global corporate bonds and sterling corporate bonds. In growth assets, a reduction in UK and European equities was matched by an increase in US and Asia Pacific equities. There was also a small switch in the emerging market local-currency bond allocation in favour of global high-yield bonds.

## **Investment objective**

All MyFolio funds aim to generate growth over the long term (5 years or more) while being managed to a defined level of risk.

### **abrdn MyFolio Index I, II, III, IV and V**

The fund is part of the MyFolio Index range, which offers five funds with different expected combinations of investment risk and return. Index I is risk level I, which aims to be the lowest risk fund in this range, and the range goes up to Index V which is risk level V, which aims to be the highest risk fund in the range.

### **abrdn MyFolio Core I, II, III, IV and V**

The fund is part of the MyFolio Core range, which offers five funds with different expected combinations of investment risk and return. Core I is risk level I, which aims to be the lowest risk fund in this range, and the range goes up to Core V which is risk level V, which aims to be the highest risk fund in the range.

### **abrdn MyFolio Multi-Manager I, II, III, IV and V**

The fund is part of the MyFolio Multi-Manager range, which offers five funds with different expected combinations of investment risk and return. Multi-Manager I is risk level I, which aims to be the lowest risk fund in this range, and the range goes up to Multi-Manager V which is risk level V, which aims to be the highest risk fund in the range.

### **abrdn MyFolio Enhanced ESG Index I, II, III, IV and V**

The fund is part of the MyFolio Enhanced ESG Index range, which offers five funds with different expected combinations of investment risk and return that follow the Aberdeen Investments MyFolio Enhanced ESG assessment criteria. Enhanced ESG Index I is risk level I, which aims to be the lowest risk fund in this range, and the range goes up to Enhanced ESG Index V which is risk level V, which aims to be the highest risk fund in the range.

### **abrdn MyFolio Enhanced ESG I, II, III, IV and V**

The fund is part of the MyFolio Enhanced ESG range, which offers five funds with different expected combinations of investment risk and return that adhere to the Aberdeen Investments MyFolio Enhanced ESG assessment criteria. Enhanced ESG I is risk level I, which aims to be the lowest risk fund in this range, and the range goes up to Enhanced ESG V which is risk level V, which aims to be the highest risk fund in the range.



**Risk level I across all MyFolio ranges**

Risk Target: The defined level of risk referred to above that the management team is targeting is within in the range of 20–40% of world stock markets (represented by the MSCI World Index, over 10 years). There is no certainty or promise that this target will be achieved. The Risk Target has been chosen as it represents a risk range which is appropriate for the fund.

**Risk level II across all ranges**

Risk Target: The defined level of risk referred to above that the management team is targeting is within in the range of 35–55% of world stock markets (represented by the MSCI World Index, over 10 years). There is no certainty or promise that this target will be achieved. The Risk Target has been chosen as it represents a risk range which is appropriate for the fund.

**Risk level III across all ranges**

Risk Target: The defined level of risk referred to above that the management team is targeting is within in the range of 45–75% of world stock markets (represented by the MSCI World Index, over 10 years). There is no certainty or promise that this target will be achieved. The Risk Target has been chosen as it represents a risk range which is appropriate for the fund.

**Risk level IV across all ranges**

Risk Target: The defined level of risk referred to above that the management team is targeting is within in the range of 60–90% of world stock markets (represented by the MSCI World Index, over 10 years). There is no certainty or promise that this target will be achieved. The Risk Target has been chosen as it represents a risk range which is appropriate for the fund.

**Risk level V across all ranges**

Risk Target: The defined level of risk referred to above that the management team is targeting is within in the range of 70–110% of world stock markets (represented by the MSCI World Index, over 10 years). There is no certainty or promise that this target will be achieved. The Risk Target has been chosen as it represents a risk range which is appropriate for the fund.

**Important Information**

The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested. Past performance is not a guide to future results.

This document relates to the range of MyFolio OEIC funds. For more information on individual MyFolio funds, the risks applicable to them, and their respective benchmarks, please refer to the Key Investor Information Document or the Prospectus.

This material is for informational purposes only. This should not be relied upon as a forecast, research or investment advice. It does not constitute an offer, or solicitation of an offer, to sell or buy any securities or an endorsement with respect to any investment vehicle. The opinions expressed are those of Aberdeen Investments and are subject to change at any time due to changes in market or economic conditions.

# Performance Assessment

## **MyFolio I:**

In view of the fund's risk targeted approach and investment across multiple asset classes, the fund is not managed with reference to a benchmark. Investors can assess performance of the fund against the following peer group: Morningstar Allocation 0–20% Equity Category. This peer group has been chosen as it consists of funds with a broadly similar equity allocation to the fund, however, it should be noted that the funds in this category will have other varying characteristics in terms of objectives, investment policies and levels of risk. Therefore, whilst the peer group can be used as an indicator for assessing performance over the long term in comparison to peers, it does not provide an exact like-for-like basis for comparison. When assessing the performance of the fund against peers, investors should also take into account that the fund's primary objective is to achieve long term growth whilst being within the defined risk level.

## **MyFolio II:**

In view of the fund's risk targeted approach and investment across multiple asset classes, the fund is not managed with reference to a benchmark. Investors can assess performance of the fund against the following peer group: Morningstar Allocation 20–40% Equity Category. This peer group has been chosen as it consists of funds with a broadly similar equity allocation to the fund, however, it should be noted that the funds in this category will have other varying characteristics in terms of objectives, investment policies and levels of risk. Therefore, whilst the peer group can be used as an indicator for assessing performance over the long term in comparison to peers, it does not provide an exact like-for-like basis for comparison. When assessing the performance of the fund against peers, investors should also take into account that the fund's primary objective is to achieve long term growth whilst being within the defined risk level.

## **MyFolio III:**

In view of the fund's risk targeted approach and investment across multiple asset classes, the fund is not managed with reference to a benchmark. Investors can assess performance of the fund against the following peer group: Morningstar Allocation 40–60% Equity Category. This peer group has been chosen as it consists of funds with a broadly similar equity allocation to the fund, however, it should be noted that the funds in this category will have other varying characteristics in terms of objectives, investment policies and levels of risk. Therefore, whilst the peer group can be used as an indicator for assessing performance over the long term in comparison to peers, it does not provide an exact like-for-like basis for comparison. When assessing the performance of the fund against peers, investors should also take into account that the fund's primary objective is to achieve long term growth whilst being within the defined risk level.

## **MyFolio IV:**

In view of the fund's risk targeted approach and investment across multiple asset classes, the fund is not managed with reference to a benchmark. Investors can assess performance of the fund against the following peer group: Morningstar Allocation 60–80% Equity Category. This peer group has been chosen as it consists of funds with a broadly similar equity allocation to the fund, however, it should be noted that the funds in this category will have other varying characteristics in terms of objectives, investment policies and levels of risk. Therefore, whilst the peer group can be used as an indicator for assessing performance over the long term in comparison to peers, it does not provide an exact like-for-like basis for comparison. When assessing the performance of the fund against peers, investors should also take into account that the fund's primary objective is to achieve long term growth whilst being within the defined risk level.

## **MyFolio V:**

In view of the fund's risk targeted approach and investment across multiple asset classes, the fund is not managed with reference to a benchmark. Investors can assess performance of the fund against the following peer group: Morningstar Allocation 80–100% Equity Category. This peer group has been chosen as it consists of funds with a broadly similar equity allocation to the fund, however, it should be noted that the funds in this category will have other varying characteristics in terms of objectives, investment policies and levels of risk. Therefore, whilst the peer group can be used as an indicator for assessing performance over the long term in comparison to peers, it does not provide an exact like-for-like basis for comparison. When assessing the performance of the fund against peers, investors should also take into account that the fund's primary objective is to achieve long term growth whilst being within the defined risk level.

# Management process, derivatives and techniques

## Management Process

- The management team use their discretion (active management) to select funds within each asset class and ensure that the strategic asset allocation (long-term proportions in each asset class) meets the fund's objectives.
- In addition, they will take tactical asset allocations (changing short term proportions in each asset class) with the aim of improving returns.
- Please note that the number contained in the fund names are not related to the SRRI contained in the Key Investor Information Document for each fund.

## Derivatives and Techniques

- The fund is not expected to invest in derivatives directly however it may invest in other funds which use derivatives more extensively.
- Investors in the fund may buy and sell shares on any dealing day (as defined in the Prospectus). If you invest in income shares, income from investments in the fund will be paid out to you. If you invest in accumulation shares, income will be added to the value of your shares.
- Recommendation: the fund may not be appropriate for investors who plan to withdraw their money within five years. Investors should satisfy themselves that their attitude to risk aligns with the risk profile of this fund before investing.

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