

For financial advisers only

Introducing MyFolio

- The MyFolio range of funds gives a choice of five risk levels which are designed to match different attitudes to risk
- Each MyFolio fund is managed to stay within its appropriate risk level. You and your client choose the most appropriate fund according to their risk appetite
- Aberdeen Standard Investments, with the support of an independent company, Moody's Analytics, aim to maximise returns for the level of risk selected
- The strategic asset allocation for the funds is determined by Aberdeen Standard Investments in consultation with Moody's Analytics, a world leader in financial risk modelling

Forward looking investment process

Moody's Analytics take a 10-year view on asset classes and make recommendations to Aberdeen Standard Investments on the best mix of assets in which to invest for each risk level.

Each selected asset combination will represent one of the five risk levels offered through the MyFolio funds.

The strategic asset allocation is formally reviewed every three months but the aim always stays the same – to generate the highest returns possible within a fund's risk level.

MOODY'S ANALYTICS

Who are Moody's Analytics?

Moody's Analytics was formerly called Barrie & Hibbert. They were acquired by the Moody's Corporation in 2011 and form part of the Moody's Analytics Enterprise Risk Management solutions. The acquisition broadened Moody's Analytics suite of software solutions for the insurance and pension sectors.

Moody's Analytics are a world leader in financial risk modelling and have a team of more than 1,600 credit analysts and 70 economists with expertise spanning all industry sectors, asset classes, and geographies.

More than 40,000 leading market participants – including institutional investors, fixed income credit professionals, risk professionals, equity market participants, commercial lenders, and underwriters – rely on Moody's Analytics for critical insight into their investment and risk management decisions.

What part do Moody's Analytics play in MyFolio funds?

Aberdeen Standard Investments set the risk levels for the MyFolio funds. Moody's Analytics are then consulted to determine the mix of assets that can deliver the highest possible return for a given level of risk.

What is the process for deciding upon the strategic allocation?

A process called constrained optimisation is designed to create the most efficient asset mix where Moody's Analytics seeks to optimise the balance between risk and return.

This starts with a detailed understanding of:



Investing in asset classes that behave differently is essential for maximising the benefits of diversification.

Strategic Asset Allocation - Absolute Returns

For MyFolio Active funds there is an additional step. Aberdeen Standard Investments believe that absolute return strategies offer a further valuable source of diversification for multi-asset portfolios. Please note that the MyFolio Market funds do not invest in absolute return strategies.



For more information on
Moody's Analytics, visit
www.moodyanalytics.com

Calls may be monitored
and/or recorded to protect
both you and us and help
with our training. Call
charges will vary.

(01) 639 7900 www.brokerzone.ie brokersupport@standardlife.ie

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