



For UK professional investors only –
not for retail investors.



Investing in credit

November 2023

abr.dn.com

Explore global credit opportunities with abrdrn



Unlock the potential of global credit markets

Thanks to our wide range of investment strategies, global research platform and disciplined approach, we're well placed to uncover a diverse range of global credit market opportunities for your client.

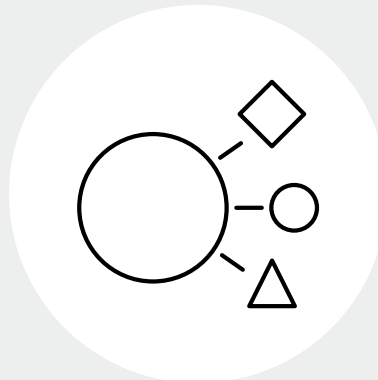
We invest across public and private credit markets, targeting high-income, attractive risk-adjusted returns. Our team manages portfolios to meet client objectives and priorities such as income generation, and capital preservation.

Access our credit opportunities through your third-party investment platform.



Cashflow generation

Target stable income streams with cashflow investment strategies



Diversification

Access the global credit opportunity set in search of attractive returns



Global presence

Build a portfolio to suit your client's needs with the help of our 140 investment professionals



What is credit?

Credit is another word for corporate bonds. These are debt securities issued by corporations to raise capital. When a company needs to borrow money to invest in its business, it may issue corporate bonds to investors. Like government bonds, credit can be bought and sold in secondary markets, as well as at issue. By purchasing corporate bonds, investors effectively lend money to the issuing company.

Corporate bonds offer holders with a fixed income stream and are seen as relatively stable investments compared to equities. However, corporate bond prices on the open market are subject to fluctuations. Perceptions of the financial health and creditworthiness of the issuing company can affect prices.

Our goal is to generate the best long-term return we can for our investors, mitigate risk and unlock opportunities. Consideration of environmental, social and governance (ESG) factors is embedded into our research process alongside our credit valuation metrics.



Reasons to invest:

Why is credit right for your client?

Investors often include corporate bonds in their portfolios to provide income, diversify their holdings and to increase portfolio stability by providing a counterbalance to higher risk investments.

We focus on these main areas:



Diversification:

The global corporate bond market is large and diverse, with a wide range of issuer types across different industry sectors and different risk levels. Owning corporate bonds as part of a portfolio of other asset classes can help to improve diversification and reduce overall risk.



Portfolio stability:

A credit allocation can contribute to the stability of a portfolio by serving as a counterbalance to other higher-risk investments. While equities and other riskier assets can be subject to significant market volatility, the returns of corporate bonds, especially higher quality corporate bonds, tend to be more stable.



Income generation:

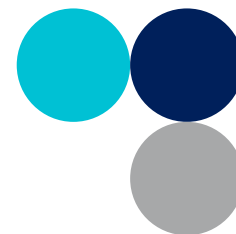
Corporate bonds offer a regular fixed income stream through periodic interest payments. Some clients prefer to receive a regular income via a distribution share class. Others prefer us to reinvest cashflows on their behalf.



Regular maturity:

Corporate bonds have specified maturity dates, after which the issuer is obligated to repay the principal (i.e. the full borrowed amount) back to bondholders. This feature can be advantageous for investors with specific time horizons or those seeking to match their investment duration to their financial goals.

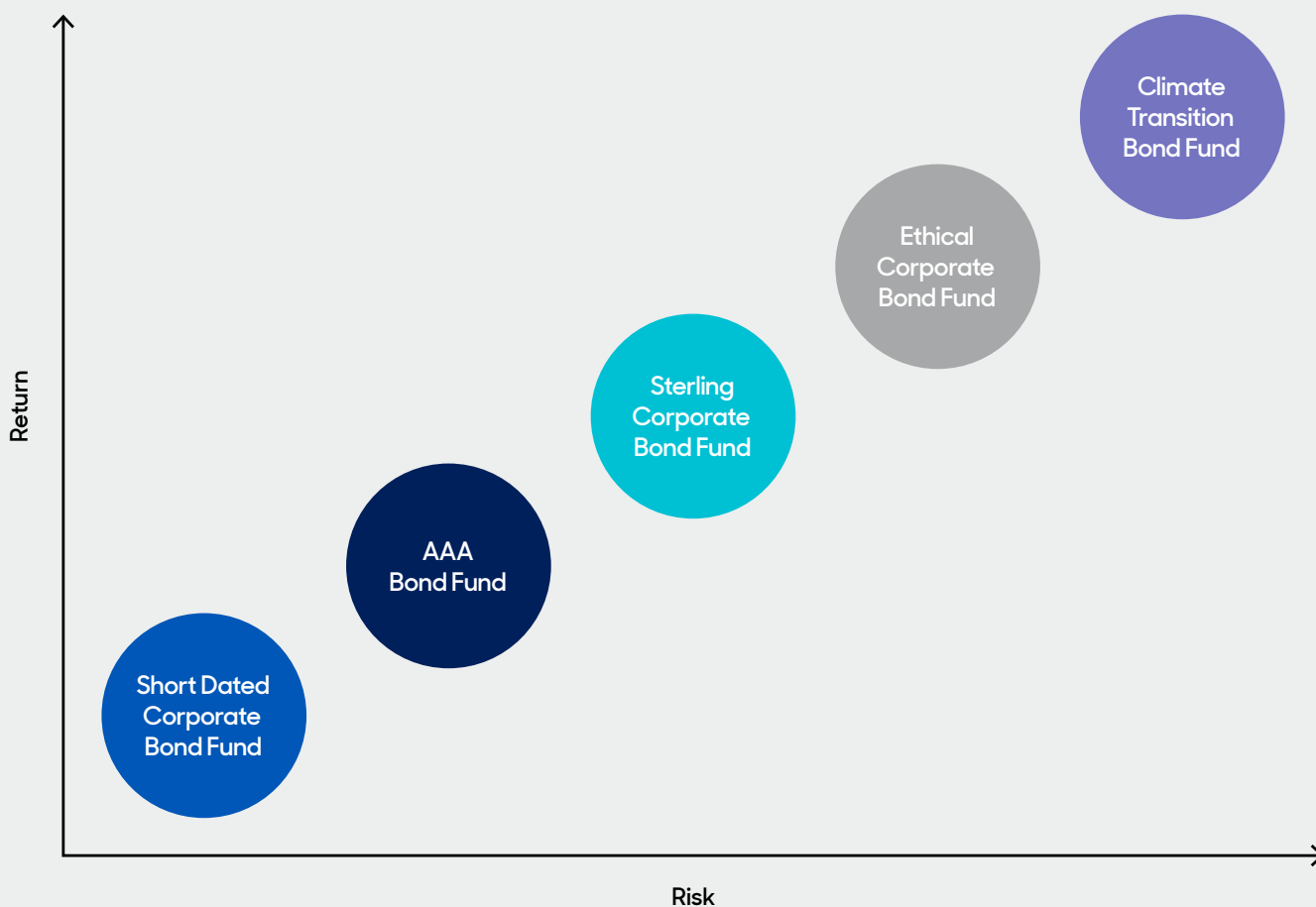
Our credit strategies



At abrdn, our philosophy and approach are designed to deliver risk-adjusted returns to help investors achieve their investment goals. Our solutions span a broad range of sectors and geographies, enabling us to meet client needs. We are committed to providing a solution to help your client, no matter which area of the credit market suits their requirements.

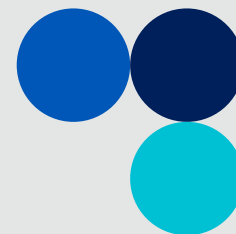
Credit strategies across the risk spectrum

(For illustration purposes only).



When constructing a fixed income portfolio, investors should consider their risk tolerance, investment goals, and time horizon. Diversification across different types of fixed income securities can help manage risk and achieve a balance between income generation and capital preservation.

Our funds in focus



Features	Short Dated	AAA Bond	Sterling Corporate	Ethical Corporate	Climate Transition
Fund managers	Daniel McKernan	Daniel McKernan & Mark Munro	Adam Walker	Mark Munro	Samuel Grantham
Objective	To generate income and some growth over the medium to long term (3 to 5 years) by investing in Sterling-denominated investment grade corporate bonds, with a maturity of up to 5 years.	To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated bonds with a high degree of creditworthiness.	To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated investment grade corporate bonds.	To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated investment grade corporate bonds which adhere to the abrdn Ethical Corporate Bond Investment Approach.	The Fund aims to achieve a combination of income and growth by investing at least 90% in bonds (loans to governments and companies) issued worldwide, including in Emerging Market countries, which follow the Investment Manager's "Climate Transition Bond Investment Approach".
Return target	To achieve the return of the iBoxx Sterling Corporates (1-5 Year) Index, plus 0.5% per annum (before charges).	To achieve the return of the Markit iBoxx Sterling Non Gilts AAA plus 0.65% per annum over rolling three year periods (before charges).	To exceed the Investment Association Sterling Corporate bond Sector Average return (after charges) over 1 year and be top quartile over rolling three year periods.	To be top quartile within the fund's peer group; as measured by the Investment Association Sterling Corporate Bond Sector, over rolling three-year periods (after charges).	60% Bloomberg Global Aggregate Corporates Index (Hedged to GBP), 20% Bloomberg Global High Yield Corporates Index (Hedged to GBP), 20% JP Morgan Corporate Emerging Market Bond Index (Hedged to GBP)
Investment horizon	5 years or more	5 years or more	5 years or more	5 years or more	5 years or more
Minimum Investment	£1,000,000	£1,000,000	£1,000,000	£1,000,000	\$1,000,000 or currency equivalent
Distribution Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Risk profile	3	4	4	4	4
Annual management	0.25%	0.50%	0.50%	0.50%	0.40%
Ongoing charge figure	0.39%	0.64%	0.64%	0.64%	0.56%

The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds.



Do you have any questions?

Visit [Investing for Income](#) or [Contact Us](#)

Important information

Investment involves risk. 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.

To help you understand the funds and for a full explanation of the risks and the overall risk profile of each fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website.

The information contained in this document is of a general nature on the activities carried out by the entities listed below. This information is therefore only indicative and does not constitute any form of contractual agreement, nor is it to be considered as an offer or solicitation to deal in any financial instruments or engage in any investment service or activity. No warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document.

Risks of investing: Fixed Income: Fixed income securities are subject to certain risks including, but not limited to: interest rate, credit, prepayment, and extension. Diversification does not necessarily ensure a return or protect against a loss. This is not a complete list or explanation of the risks involved and investors should read the relevant offering documents and consult with their own advisors prior to investing.

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