



# Risk Rating

Vanguard LifeTarget MPS

December 2023

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# Executive summary

## Accumulation Risk Ratings

### Summary

We conclude the following Risk Ratings for the Vanguard LifeTarget MPS:

Vanguard LifeTarget Defensive - Platform	2
Vanguard LifeTarget Cautious - Platform	3
Vanguard LifeTarget Moderate - Platform	4

### Assessment

The Defaqto methodology involves using both quantitative and qualitative inputs to risk rate a portfolio:

Input 1 - Forecast the portfolio's future volatility

Input 2 - Discussion with the portfolio manager

Since our profiles are overlapping and not contiguous, we have some discretion as to whether a portfolio is rated in the upper or the lower profile.

Our assessment has been considered by our Investment Committee, and has taken into account some of Vanguard's suggestions when arriving at our Risk Ratings.

### Investment Committee summary

#### Historic volatility

No historic volatilities have been used.

#### Stochastic (future) volatility

Our analysis has been based on holdings data provided by Vanguard.

# Vanguard LifeTarget Defensive - Platform

Risk Rated on 06 December 2023

## Mandate

The Vanguard LifeTarget Defensive Model Portfolio is designed to maximize an investor's risk-adjusted return while keeping the expected return above the minimum return target of 2%, annualised over rolling 5-year time periods. The minimum long-term return targets are not guaranteed and are subject to the performance of the bonds and equities in which the model invests.

## Investment Committee Notes

We used portfolio holdings supplied by Vanguard to calculate all stochastic measures. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this portfolio is most appropriately risk rated as a 2.

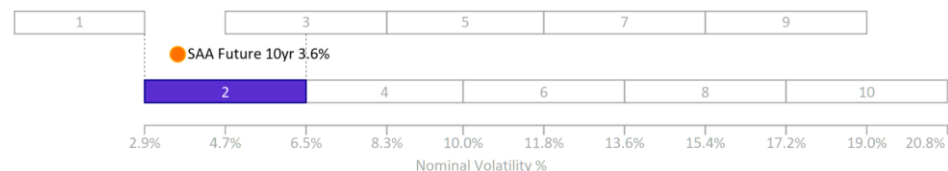
## Conclusion/Risk Rating



## Next review

March 2024

## Defaqto Risk Ruler



# Vanguard LifeTarget Cautious - Platform

Risk Rated on 06 December 2023

## Mandate

The Vanguard LifeTarget Cautious Model Portfolio is designed to maximize an investor's risk-adjusted return while keeping the expected return above the minimum return target of 3%, annualised over rolling 5-year time periods. The minimum long-term return targets are not guaranteed and are subject to the performance of the bonds and equities in which the model invests

## Investment Committee Notes

We used portfolio holdings supplied by Vanguard to calculate all stochastic measures. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this portfolio is most appropriately risk rated as a 3.

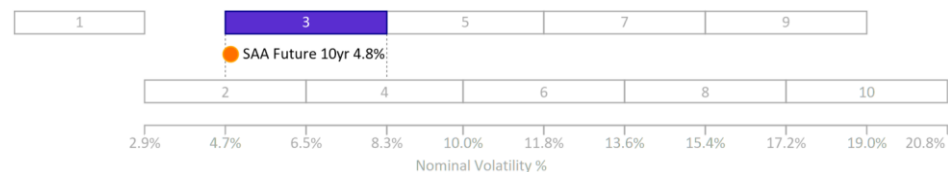
## Conclusion/Risk Rating



## Next review

March 2024

## Defaqto Risk Ruler



# Vanguard LifeTarget Moderate - Platform

Risk Rated on 06 December 2023

## Mandate

The Vanguard LifeTarget Moderate Model Portfolio is designed to maximize an investor's risk-adjusted return while keeping the expected return above the minimum return target of 4%, annualised over rolling 5-year time periods. The minimum long-term return targets are not guaranteed and are subject to the performance of the bonds and equities in which the model invests.

## Investment Committee Notes

We used portfolio holdings supplied by Vanguard to calculate all stochastic measures. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this portfolio is most appropriately risk rated as a 4.

This Portfolio had its risk rating changed from a 5 to a 4 in October 2023.

## Conclusion/Risk Rating



## Next review

March 2024

## Defaqto Risk Ruler

