

Risk Rating

Vanguard LifeStrategy Funds

July 2021



Unit 12
Haddenham Business Park
Pegasus Way
Haddenham
Aylesbury
HP17 9LJ

Contents

Executive summary

Vanguard LifeStrategy 20% Equity Fund

Vanguard LifeStrategy 40% Equity Fund

Vanguard LifeStrategy 60% Equity Fund

Vanguard LifeStrategy 80% Equity Fund

Vanguard LifeStrategy 100% Equity Fund



Executive summary

Accumulation Risk Ratings

Summary

We conclude the following Risk Ratings for the Vanguard LifeStrategy Funds:

Vanguard LifeStrategy 20% Equity Fund	3
Vanguard LifeStrategy 40% Equity Fund	4
Vanguard LifeStrategy 60% Equity Fund	5
Vanguard LifeStrategy 80% Equity Fund	7
Vanguard LifeStrategy 100% Equity Fund	9

Assessment

The Defaqto methodology involves using both quantitative and qualitative inputs in order to risk rate a fund:

1. Input 1 - Historic volatility of the fund
2. Input 2 - Forecast the fund's future volatility
3. Input 3 - Discussion with the fund manager

Our methodology requires us to take the highest of the relevant historic and stochastic volatilities.

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

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

Historic volatilities of up to 10 years have been used.

Stochastic (future) volatility

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

Vanguard LifeStrategy 20% Equity Fund

Risk rated on 20 July 2021

Mandate

To gain exposure to a diversified portfolio comprised of approximately 20% equities and 80% fixed income securities by value. The fund will seek to achieve this through investing in predominantly passive index tracking funds managed or operated mainly by Vanguard.

Investment Committee Notes

We used fund holdings supplied by Vanguard to calculate all stochastic measures. This fund could be risked rated as a 2. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this fund is most appropriately risk rated as a 3. This fund is breaching the lower boundary of its agreed risk rating. We are comfortable that the risk rating remains appropriate.

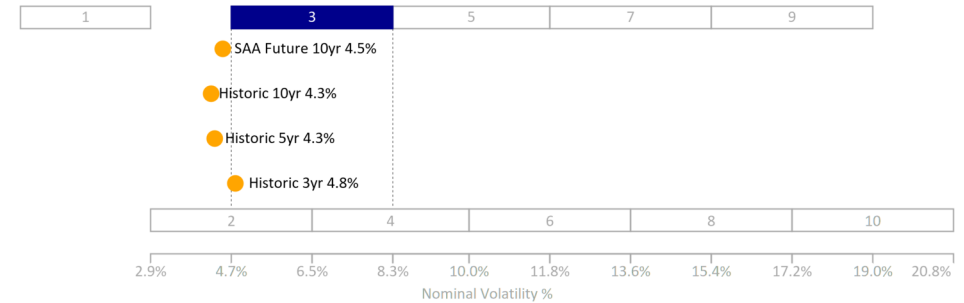
Conclusion/Risk Rating



Next review

October 2021

Defaqto Risk Ruler



Vanguard LifeStrategy 40% Equity Fund

Risk rated on 20 July 2021

Mandate

To gain exposure to a diversified portfolio comprised of approximately 40% equities and 60% fixed income securities by value. The fund will seek to achieve this through investing in predominantly passive index tracking funds managed or operated mainly by Vanguard.

Investment Committee Notes

We used fund holdings supplied by Vanguard to calculate all stochastic measures. This fund could be risked rated as a 3 or a 4. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this fund is most appropriately risk rated as a 4.

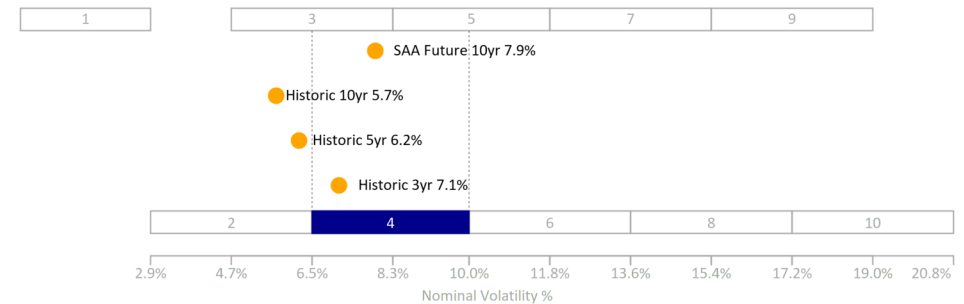
Conclusion/Risk Rating



Next review

October 2021

Defaqto Risk Ruler



Vanguard LifeStrategy 60% Equity Fund

Risk rated on 20 July 2021

Mandate

To gain exposure to a diversified portfolio comprised of approximately 60% equities and 40% fixed income securities by value. The fund will seek to achieve this through investing in predominantly passive index tracking funds managed or operated mainly by Vanguard.

Investment Committee Notes

We used fund holdings supplied by Vanguard to calculate all stochastic measures. This fund could be risked rated as a 5 or a 6. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this fund is most appropriately risk rated as a 5.

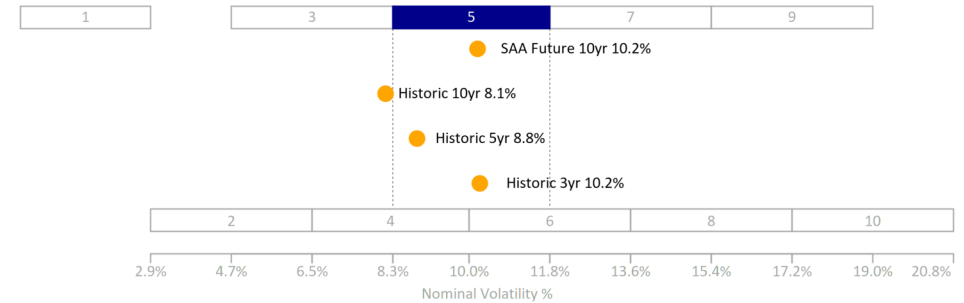
Conclusion/Risk Rating



Next review

October 2021

Defaqto Risk Ruler



Vanguard LifeStrategy 80% Equity Fund

Risk rated on 20 July 2021

Mandate

To gain exposure to a diversified portfolio comprised of approximately 80% equities and 20% fixed income securities by value. The fund will seek to achieve this through investing in predominantly passive index tracking funds managed or operated mainly by Vanguard.

Investment Committee Notes

We used fund holdings supplied by Vanguard to calculate all stochastic measures. This fund could be risked rated as a 7 or an 8. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this fund is most appropriately risk rated as a 7.

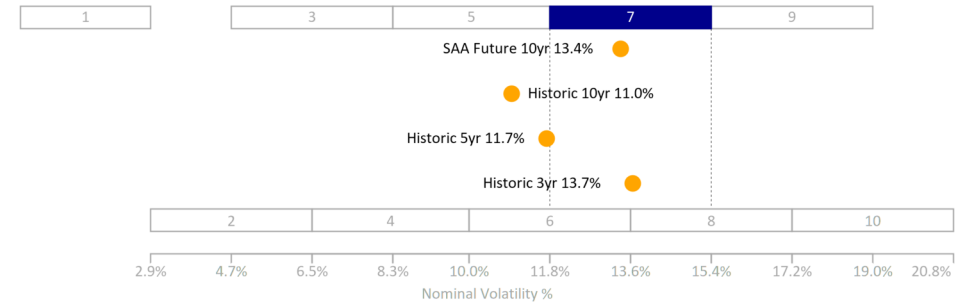
Conclusion/Risk Rating



Next review

October 2021

Defaqto Risk Ruler



Vanguard LifeStrategy 100% Equity Fund

Risk rated on 20 July 2021

Mandate

To gain exposure to a diversified portfolio comprised of 100% equities. The fund will seek to achieve this through investing in predominantly passive index tracking funds managed or operated mainly by Vanguard.

Investment Committee Notes

We used fund holdings supplied by Vanguard to calculate all stochastic measures. This fund could be risked rated as a 8 or a 9. Through discussion with Vanguard in which the Defaqto methodology and their approach were considered, both Defaqto and Vanguard believe that this fund is most appropriately risk rated as a 9.

Conclusion/Risk Rating



Next review

October 2021

Defaqto Risk Ruler

