

# Vanguard Quarterly Risk Profile Update Note

## Q1 2025



Portfolio	Assigned risk profile	Latest Forecast Nominal Return^	Latest Forecast Real Return^	Latest Forecast Vol*	Latest asset allocation – risk profile equivalent*	Status
LifeStrategy 100% Equity Fund	7	6.69%	4.09%	14.15%	7.74	
LifeStrategy 20% Equity Fund	3	3.91%	1.37%	5.08%	3.42	
LifeStrategy 40% Equity Fund	4	4.63%	2.08%	6.72%	4.20	
LifeStrategy 60% Equity Fund	5	5.36%	2.79%	9.05%	5.31	
LifeStrategy 80% Equity Fund	6	6.02%	3.44%	11.56%	6.50	
Vanguard ActiveLife Climate Aware 60-70% Equity Fund	6	5.80%	3.22%	10.31%	5.91	
Vanguard ActiveLife Climate Aware 40-50% Equity Fund	5	5.42%	2.85%	9.07%	5.32	
Vanguard ActiveLife Climate Aware 80-90% Equity Fund	7	6.11%	3.52%	11.92%	6.68	
Vanguard LifeStrategy 20% Equity MPS Classic	3	3.83%	1.29%	5.06%	3.41	
Vanguard LifeStrategy 40% Equity MPS Classic	4	4.51%	1.96%	6.66%	4.17	
Vanguard LifeStrategy 60% Equity MPS Classic	5	5.19%	2.63%	8.89%	5.23	
Vanguard LifeStrategy 80% Equity MPS Classic	6	5.88%	3.29%	11.38%	6.42	

^ Forecast annualised returns (nominal and real) based on current asset allocations and estimated asset class returns.

\* Provides the position of the expected volatility and associated risk level based on the latest available asset allocation (i.e. 31 December 2024).

Please see Appendix for the Red, Amber & Green status descriptions.

<b>Vanguard LifeStrategy 100% Equity MPS Classic</b>	7	6.56%	3.96%	13.99%	7.66	
<b>Vanguard LifeStrategy 20% Equity MPS Global</b>	3	3.93%	1.40%	4.45%	3.12	
<b>Vanguard LifeStrategy 40% Equity MPS Global</b>	4	4.59%	2.04%	6.54%	4.11	
<b>Vanguard LifeStrategy 60% Equity MPS Global</b>	5	5.25%	2.68%	9.08%	5.33	
<b>Vanguard LifeStrategy 80% Equity MPS Global</b>	6	5.90%	3.32%	11.80%	6.62	
<b>Vanguard LifeStrategy 100% Equity MPS Global</b>	8	6.56%	3.96%	14.59%	7.95	

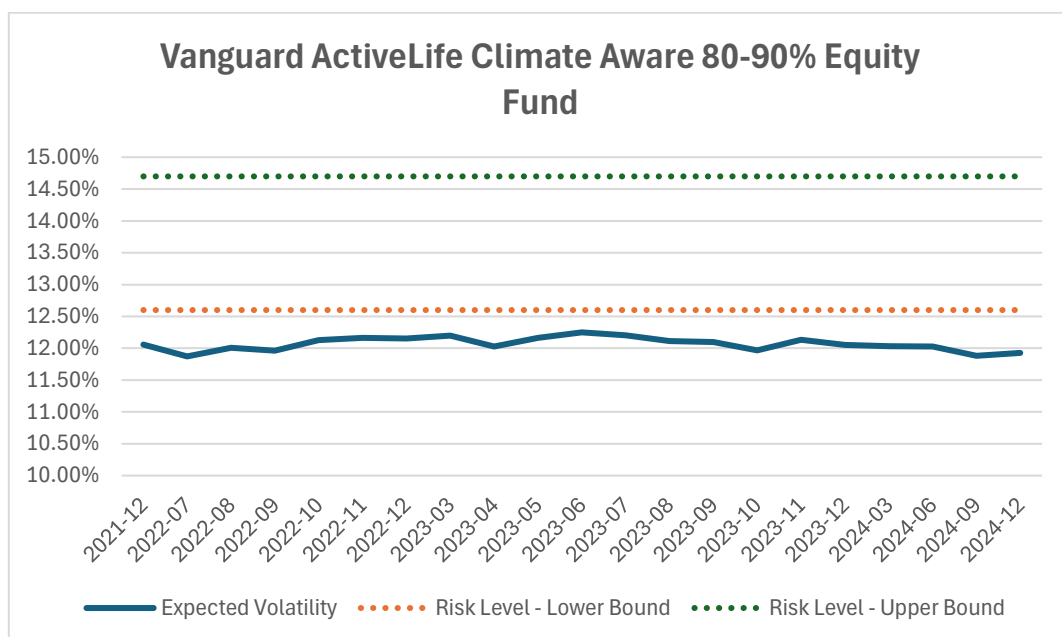
We have based our review on the approach that was agreed at the start of the risk profiling service and used the DP capital market assumptions for Q1 2025. There have been no changes to the risk profile boundaries this quarter.

## Further Analysis

As part of the Q1 2025 review, the Fund Risk Profiling team have judged the below solutions to warrant Amber or Red status.

### Vanguard Active Life Climate Aware 80-90% Equity Fund:

The Fund below shows the expected volatility lies below the lower bound of the assigned risk level. The trend has persisted since December 2021, so we have placed the solution on Red. We believe this is due for a risk profile change.



## Appendix

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### Status descriptions

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A **red** status indicates that the solution's current risk profile is no longer appropriate to the DP scale and that it will be changed at next quarter's review unless action is taken by the asset management team.



An **amber** status indicates that one or more of the measures considered may indicate the possibility of an alternative risk profile. This could be due to short-term tactical positioning within the solution or other market considerations and does not imply that the long-term risk profile should necessarily change.



A **green** status indicates that the solution is in line with the assigned risk profile and no action is needed.

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