



Vanguard Initial Risk Report March 2026



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Executive Summary

Dynamic Planner has reviewed the solutions offered by Vanguard. This report incorporates an initial review of 10 solutions.

The main objective of the Dynamic Planner Risk Profiles and Fund Risk Profiling Service is to provide financial advisers and their clients with a meaningful measure of the long-term investment risk of fund strategies and a mechanism for selecting solutions appropriate for investor risk appetites and capacity for risk.

The table below shows the risk profile Dynamic Planner has assigned to the solutions.

The information contained in this report supplements methodologies used on the Platform. The report should be used in the context of these methodologies and advice provided on the Platform and not in isolation.

Fund Name	Assigned Risk Profile	Profile Type
BlendedLife Dynamic 20% Equity MPS	3	Risk Profiled
BlendedLife Dynamic 40% Equity MPS	4	Risk Profiled
BlendedLife Dynamic 60% Equity MPS	5	Risk Profiled
BlendedLife Dynamic 80% Equity MPS	6	Risk Profiled
BlendedLife Dynamic 100% Equity MPS	7	Risk Profiled

Table 1: Range 1 - Assigned Risk Profile

Fund Name	Assigned Risk Profile	Profile Type
Vanguard LifeStrategy Global 20% Equity Fund	3	Risk Profiled
Vanguard LifeStrategy Global 40% Equity Fund	4	Risk Profiled
Vanguard LifeStrategy Global 60% Equity Fund	5	Risk Profiled
Vanguard LifeStrategy Global 80% Equity Fund	6	Risk Profiled
Vanguard LifeStrategy Global 100% Equity Fund	8	Risk Profiled

Table 2: Range 2 - Assigned Risk Profile

1 Introduction

This report was commissioned by Vanguard, who contracted Dynamic Planner to determine the appropriate risk profile for the solutions based on the risk profiles used in the Dynamic Planner platform. The following solutions are reviewed in this report:

- BlendedLife Dynamic 20% Equity MPS
- BlendedLife Dynamic 40% Equity MPS
- BlendedLife Dynamic 60% Equity MPS
- BlendedLife Dynamic 80% Equity MPS
- BlendedLife Dynamic 100% Equity MPS
- Vanguard LifeStrategy Global 20% Equity Fund
- Vanguard LifeStrategy Global 40% Equity Fund
- Vanguard LifeStrategy Global 60% Equity Fund
- Vanguard LifeStrategy Global 80% Equity Fund
- Vanguard LifeStrategy Global 100% Equity Fund

The profiles provided in this report are based on Dynamic Planner's Q1 2026 capital market assumptions, which are discussed in appendix A. The risk bands based on Dynamic Planner's assumptions are set out in appendix B.

Dynamic Planner provides this analysis on the understanding that investors will access the solutions through a regulated advice process. The recommendation on whether to include the solutions in an investor's portfolio and the amount to include should be made by advisers with the necessary Financial Conduct Authority permission to advise on investments. Dynamic Planner accepts no liability in respect of any advice given to investors relating to investment strategy or the purchase of specific products.

The analysis in this report has been based on data and information provided by Vanguard and other third parties as set out in the appendices. Data received has been assumed by Dynamic Planner to be correct as of the date of this report.

The following section sets out the results of our analysis and subsequent sections set out the methodology and assumptions in more detail.

2 Investment Objective

Fund Name	Investment Objective
BlendedLife Dynamic 20% Equity MPS	<p>The model portfolio seeks to generate capital growth over the long term. The portfolio provides a globally diversified allocation via a selection of active and passive underlying funds. The portfolios aim to invest primarily in equities, bonds and a fixed allocation to cash. The equity allocation can increase or decrease by up to 5% from the reference equity amount. The portfolios are updated four times per year, based on the impact of market drift over the quarter.</p>
BlendedLife Dynamic 40% Equity MPS	<p>The model portfolio seeks to generate capital growth over the long term. The portfolio provides a globally diversified allocation via a selection of active and passive underlying funds. The portfolios aim to invest primarily in equities, bonds and a fixed allocation to cash. The equity allocation can increase or decrease by up to 5% from the reference equity amount. The portfolios are updated four times per year, based on the impact of market drift over the quarter.</p>
BlendedLife Dynamic 60% Equity MPS	<p>The model portfolio seeks to generate capital growth over the long term. The portfolio provides a globally diversified allocation via a selection of active and passive underlying funds. The portfolios aim to invest primarily in equities, bonds and a fixed allocation to cash. The equity allocation can increase or decrease by up to 5% from the reference equity amount. The portfolios are updated four times per year, based on the impact of market drift over the quarter.</p>
BlendedLife Dynamic 80% Equity MPS	<p>The model portfolio seeks to generate capital growth over the long term. The portfolio provides a globally diversified allocation via a selection of active and passive underlying funds. The portfolios aim to invest primarily in equities, bonds and a fixed allocation to cash. The equity allocation can increase or decrease by up to 5% from the reference equity amount. The portfolios are updated four times per year, based on the impact of market drift over the quarter.</p>
BlendedLife Dynamic 100% Equity MPS	<p>The model portfolio seeks to generate capital growth over the long term. The portfolio provides a globally diversified allocation via a selection of active and passive underlying funds. The portfolios aim to invest primarily in equities, bonds and a fixed allocation to cash. The equity allocation will typically sit at 98% of the overall portfolio. The portfolios are updated four times per year, based on the impact of market drift over the quarter.</p>
Vanguard LifeStrategy Global 20% Equity Fund	<p>The Funds seek to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-determined risk profile in line with the strategic asset allocation over the medium term or long term, depending on the equity percentage.</p>
Vanguard LifeStrategy Global 40% Equity Fund	<p>The Funds seek to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-determined risk profile in line with the strategic asset allocation over the medium term or long term, depending on the equity percentage.</p>
Vanguard LifeStrategy Global 60% Equity Fund	<p>The Funds seek to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-determined risk profile in line with the strategic asset allocation over the medium term or long term, depending on the equity percentage.</p>
Vanguard LifeStrategy Global 80% Equity Fund	<p>The Funds seek to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-determined risk profile in line with the strategic asset allocation over the medium term or long term, depending on the equity percentage.</p>
Vanguard LifeStrategy Global 100% Equity Fund	<p>The Funds seek to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-determined risk profile in line with the strategic asset allocation over the medium term or long term, depending on the equity percentage.</p>

3 Analysis and Methodology

One of the key tasks for an investor is to determine how much investment risk to take on. This decision will depend on psychological, financial, and other factors. The investor will want to maximise the reward for taking on this risk through the selection of optimal weights for each asset category included in the investment portfolio.

Dynamic Planner's asset allocation methodology is based on the principles of modern portfolio theory. The risk profiles provided by Dynamic Planner are risk profiles of the long-term asset allocations adopted for a solution. The actual riskiness over the long term will depend on, among other things, the level of flexibility in the manager's mandate and how far any deviations from the long-term position are and for how long.

The measure of risk Dynamic Planner has used for each solution is the estimated volatility as determined using the solutions' internal asset allocations along with the estimates of the returns, volatilities and correlations of the Dynamic Planner primary asset classes. The analysis assumes that the actual holdings in each asset class can be broadly represented by the benchmark adopted for that asset.

The investment assumptions used in this review are those set by Dynamic Planner as of Q1 2026. Risk bands based on the Dynamic Planner assumptions (as set out in appendix B) were used to ensure that the profiles assigned to each solution are consistent with profiles and practices adopted within the implementation of the Dynamic Planner platform. This ensures that the profiles can be used with outputs from psychometric risk profiling instruments used within the Dynamic Planner platform.

For the purposes of constructing the efficient frontier, estimating return distributions and profiling solutions, Dynamic Planner splits the investment universe into a range of asset classes.

For each of these asset classes, Dynamic Planner periodically reviews the appropriate set of investment assumptions for forecasting future returns and risk distributions. The assumptions are derived from historical and market data at each review date. Appendix A provides a summary of the methodology used to derive the investment planning assumptions used on the Dynamic Planner platform.

4 Results

The risk profiles assigned to the solutions are based on the holdings provided by the manager.

Vanguard provided us with positions for December 2025 for all solutions. We have used the data to assess the Risk Profile by mapping the holdings to our asset classes and calculating the expected volatility for each solution using our assumptions.

Going forward the solutions will be reviewed in the Quarterly Review Process (QRP). This process requires that drift weights are provided for each end of month position for the preceding three months. We have found this to be optimal to conduct properly informed reviews, identify trends, and maintain consistency.

At the time the solutions were profiled, they had only recently been launched. We have therefore profiled the solutions based on the model portfolio and one month of live data. As a solution may materially change positions as it becomes seeded, if the calculated risk profile deviates significantly from the assigned risk profile assessed in this review, the assigned risk profile will be reviewed in the QRP.

4.1 Analysis – BlendedLife Range

All charts in this section show a breakdown of the holdings for the fund on a risk-adjusted basis for 30 November 2025.

The figure below shows the expected return and expected volatility for the solutions with respect to Dynamic Planner’s frontier. The grid lines show the boundaries of each risk profile defined by Dynamic Planner. For example, risk profile 1 corresponds to volatility of 0-2.1%, risk profile 2: 2.1-4.2%, and so on. The graph below shows that each solution increases in risk, with all solutions having a risk profile ranging from DP3 to DP7.

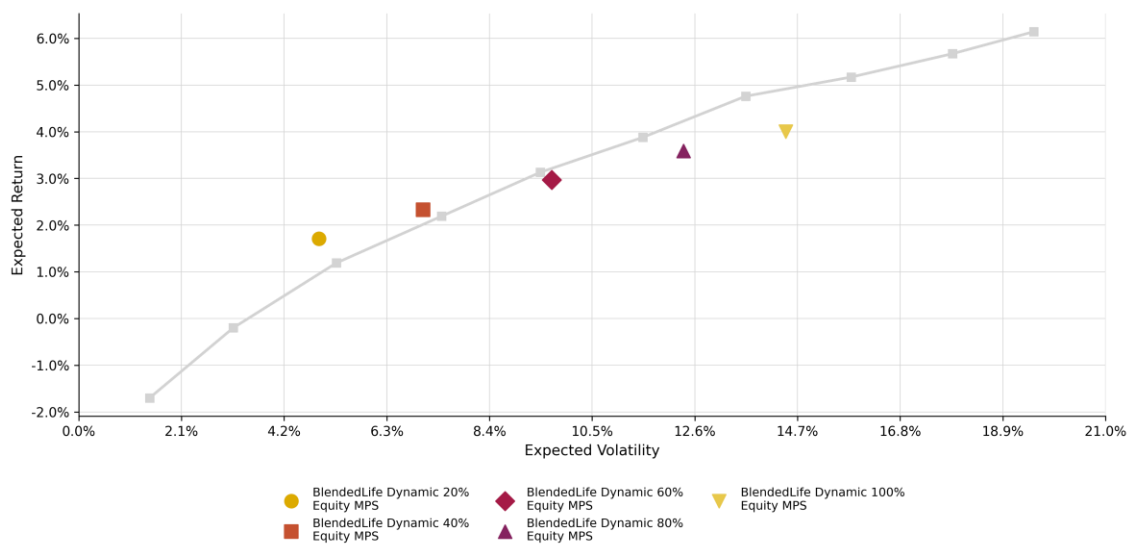


Figure 1.0: Expected Return vs Expected Volatility

The figure below shows the broad asset allocation across the BlendedLife Dynamic range. Equity exposure increases steadily from 23% in the 20% Equity portfolio to 100% in the 100% Equity portfolio, with a corresponding reduction in bond exposure from 76% to 0%. Cash exposure remains stable at around 2% across the range, while there is no exposure to alternatives. Overall, the structure reflects a clear shift from fixed income to equities as portfolio risk increases.

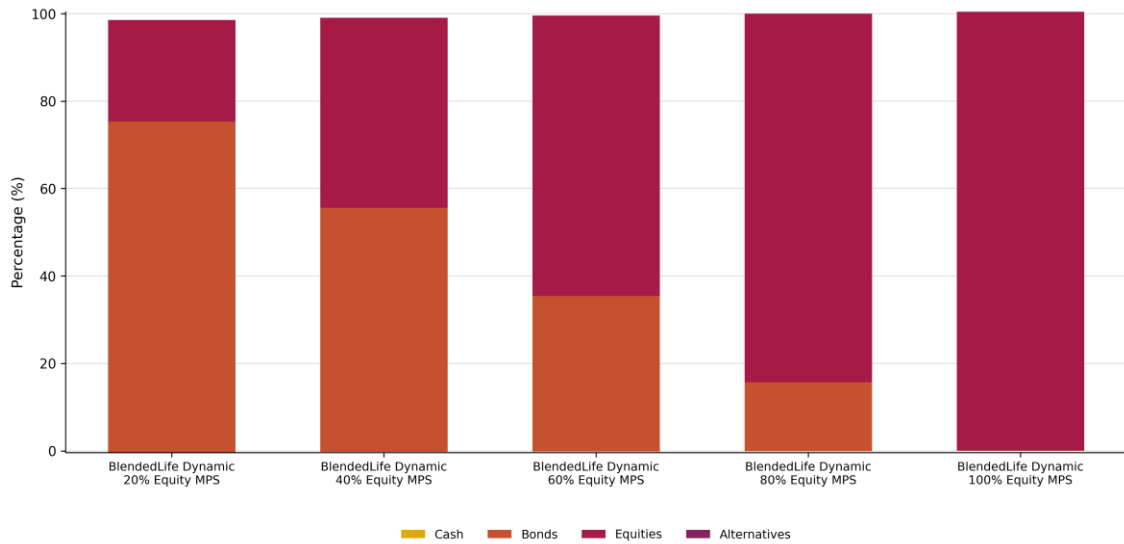


Figure 1.1: Broad Asset Allocation

The figure below shows the regional equity allocation across the BlendedLife Dynamic range. North American equities represent the largest exposure across all portfolios, increasing from 13% in the 20% Equity portfolio to 65% in the 100% Equity portfolio. Europe ex UK and Emerging Markets provide secondary exposures and increase gradually as equity exposure rises. Japanese and Asia Pacific ex Japan equities remain smaller positions, while UK exposure is limited across the range. Overall, the portfolios maintain a globally diversified equity exposure with a strong tilt toward North American markets.

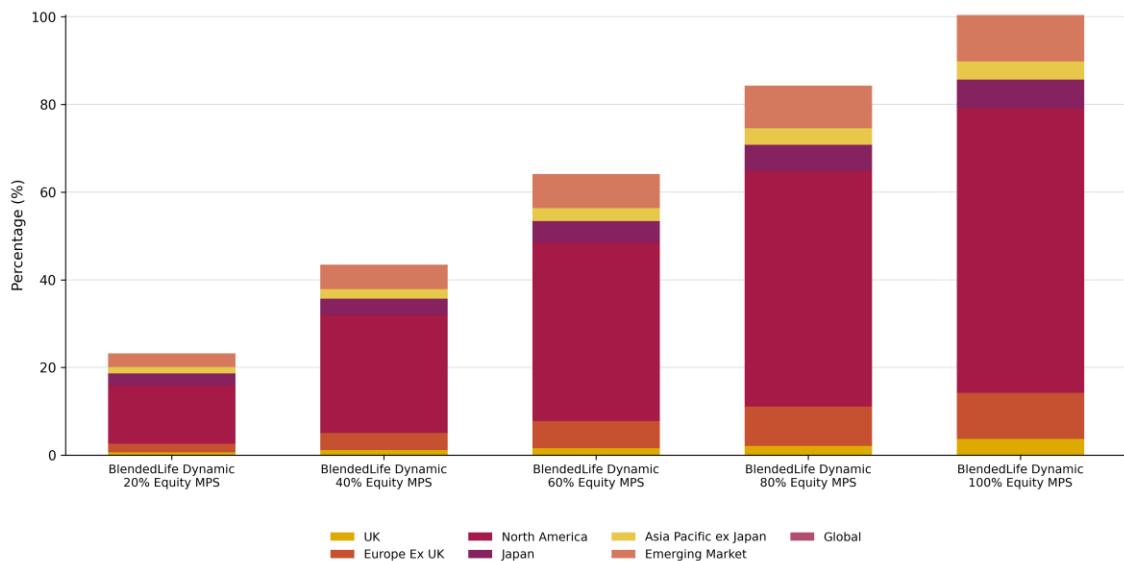


Figure 1.2: Equity Regional Allocation

The figure below shows the equity allocation by market capitalisation across the BlendedLife Dynamic range. The equity exposure is predominantly concentrated in Large Cap stocks (13%–60%) across the range. Mid Cap (4%–20%) and Small Cap (1%–6%) exposures remain more limited. Please note that ‘All Cap’ refers to positions which could not be split by market capitalisation. The relatively high exposure to Large Cap equities is expected, as a significant proportion of the underlying investments are index funds, which are typically weighted toward large-cap companies.

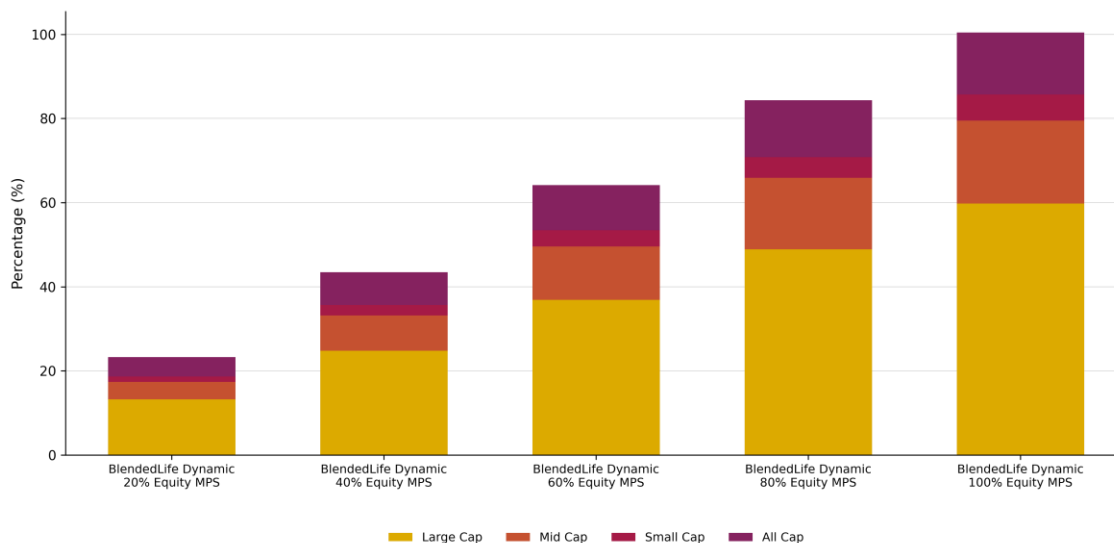


Figure 1.3: Equity Cap Size Allocation

The figure below shows the bond allocation by type across the BlendedLife Dynamic range. Investment Grade Sovereign bonds represent the largest exposure, decreasing from 53% in the 20% Equity portfolio to 10% in the 80% Equity portfolio as equity exposure increases. Investment Grade Corporate bonds provide a secondary exposure, falling from 18% to 3% across the range. High Yield and Emerging Market debt exposures remain minimal, while the 100% Equity portfolio holds no bond exposure. Overall, the bond structure is primarily focused on higher quality fixed income, with exposures gradually reducing as portfolios move toward higher equity risk levels.

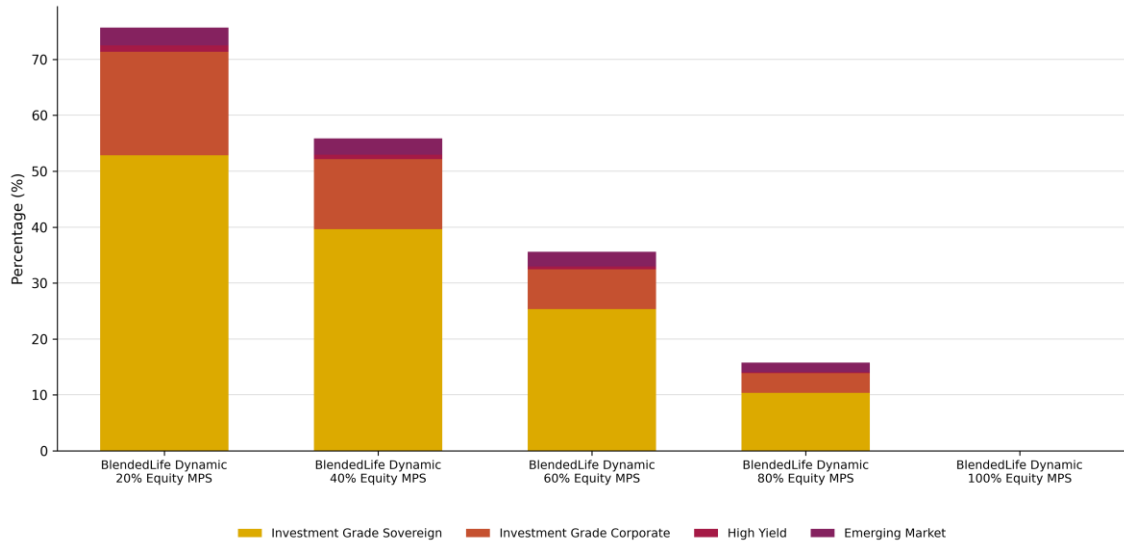


Figure 1.4: Bond Type Allocation

4.2 Analysis – LifeStrategy Range

All charts in this section show a breakdown of the holdings for the fund on a risk-adjusted basis for 31 December 2025.

The figure below shows the expected return and expected volatility for the solutions with respect to Dynamic Planner’s frontier. The grid lines show the boundaries of each risk profile defined by Dynamic Planner. For example, risk profile 1 corresponds to volatility of 0-2.1%, risk profile 2: 2.1-4.2%, and so on. The graph below shows that each solution increases in risk, with all solutions having a risk profile ranging from DP3 to DP8.

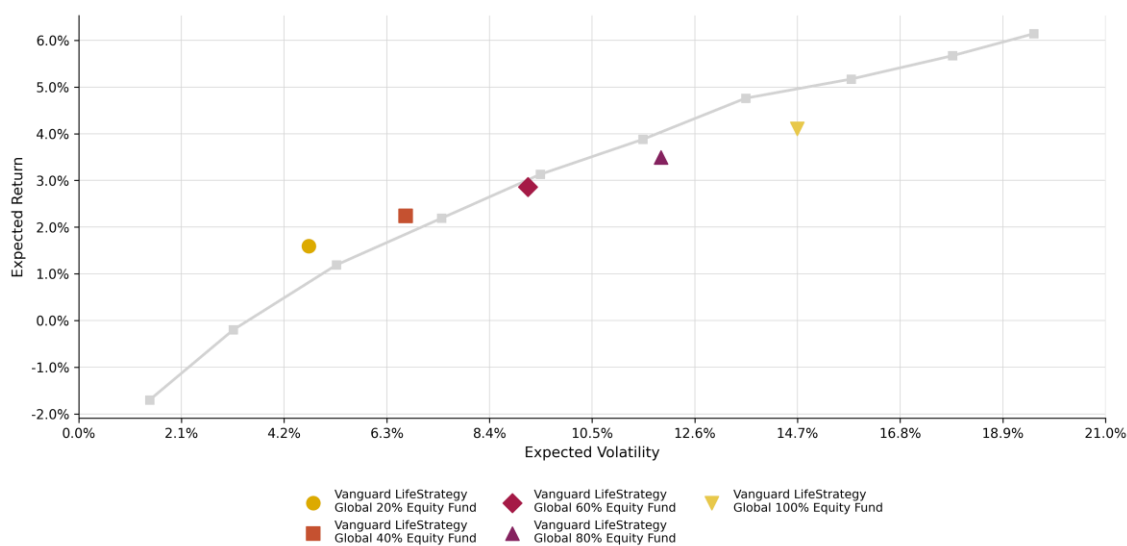


Figure 2.0: Expected Return vs Expected Volatility

The figure below shows the broad asset allocation across the Vanguard LifeStrategy range. As the portfolio names suggest, equity exposure increases progressively from 21% in the 20% Equity fund to just over 100% in the 100% Equity fund, with a corresponding reduction in bond exposure from 80% to 0%. There is no exposure to cash or alternatives across the range, with the portfolios composed entirely of equities and bonds. Overall, the structure reflects a clear shift from fixed income to equities as portfolio risk increases.

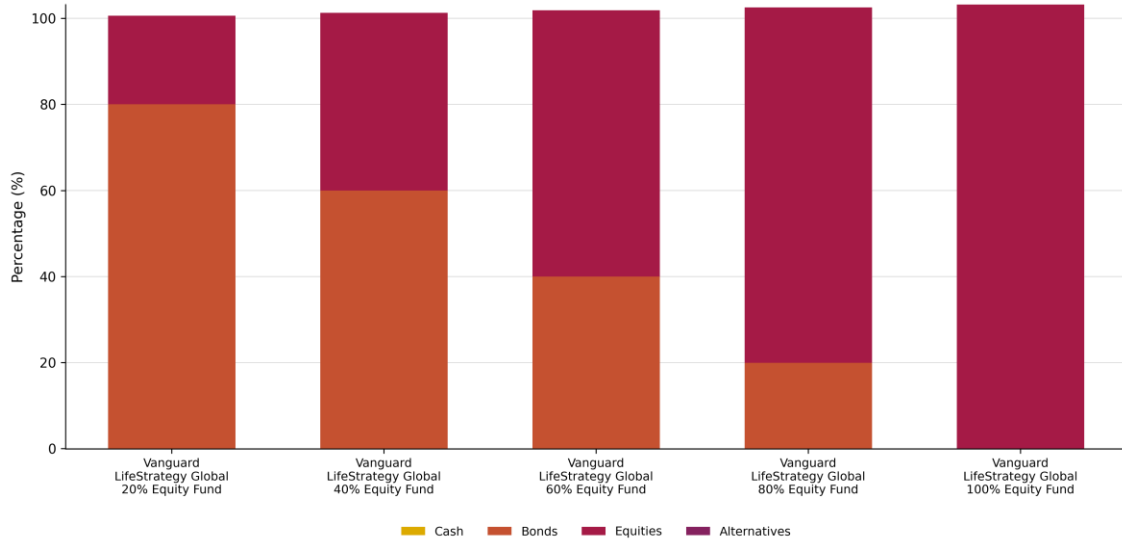


Figure 2.1: Broad Asset Allocation

The figure below shows the regional equity allocation across the Vanguard LifeStrategy range. North American equities represent the largest exposure across all portfolios, increasing from 13% in the 20% Equity fund to 73% in the 100% Equity fund. Europe ex UK and Emerging Markets provide secondary exposures that also increase as equity exposure rises, while Japan and Asia Pacific ex Japan remain smaller positions. UK exposure remains relatively limited across the range, and there is no exposure to global equity funds. Overall, the structure maintains a globally diversified equity exposure with a strong tilt toward North American markets.

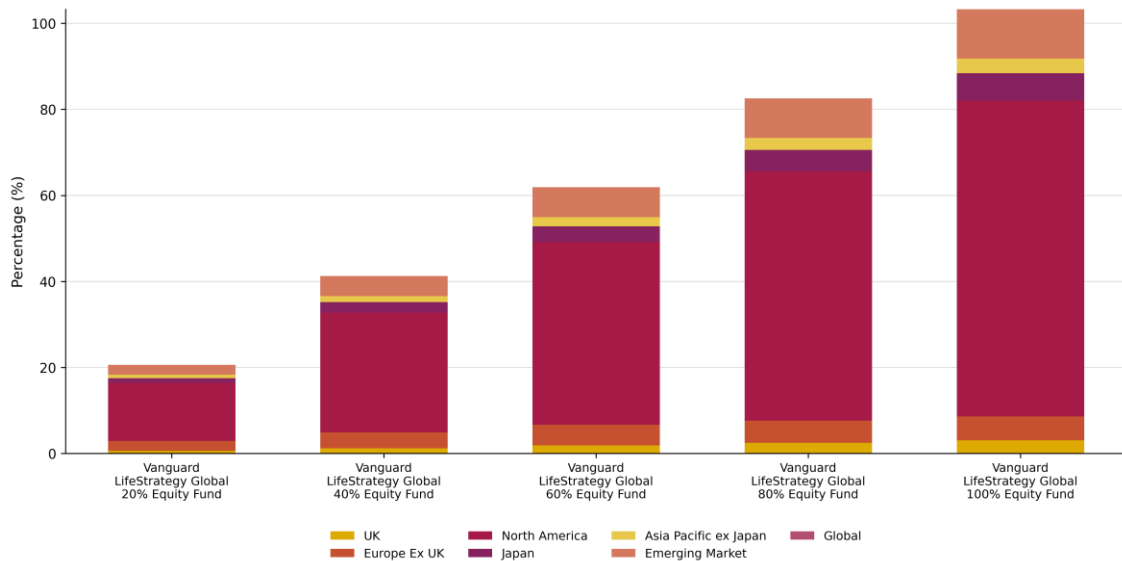


Figure 2.2: Equity Regional Allocation

The figure below shows the equity allocation by market capitalisation across the Vanguard LifeStrategy range. Large Cap equities represent the dominant exposure, increasing from 14% in the 20% Equity fund to 69% in the 100% Equity fund. Mid Cap exposure also rises gradually, from 3% to 16%, while All Cap strategies increase from 3% to 15% across the range. Small Cap exposure remains limited, ranging from 0% to 3%. Overall, the equity structure is predominantly large cap, which is consistent with the use of broad index funds within the portfolios. Please note that ‘All Cap’ refers to positions which could not be split by market capitalisation.

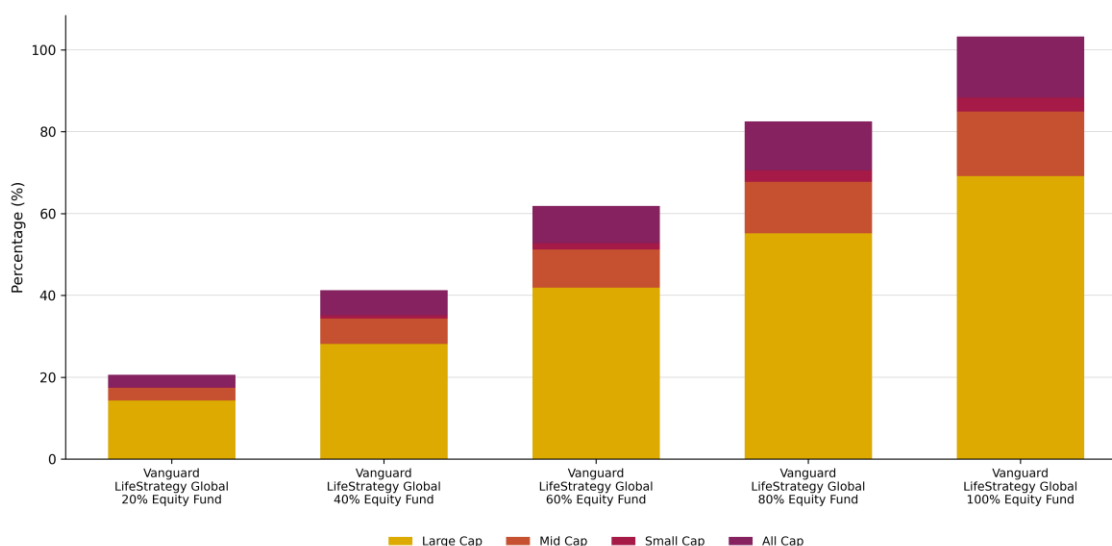


Figure 2.3: Equity Cap Size Allocation

The figure below shows the bond allocation by type across the Vanguard LifeStrategy range. Investment Grade Sovereign bonds represent the largest exposure, decreasing from 53% in the 20% Equity fund to 13% in the 80% Equity fund as equity exposure increases. Investment Grade Corporate bonds provide a secondary exposure, falling from 26% to 7% across the range. High Yield exposure is minimal, while there is no exposure to Emerging Market debt, and the 100% Equity fund holds no bond exposure. Overall, the bond structure is predominantly focused on higher quality fixed income, with exposures gradually reducing as portfolios move toward higher equity risk levels.

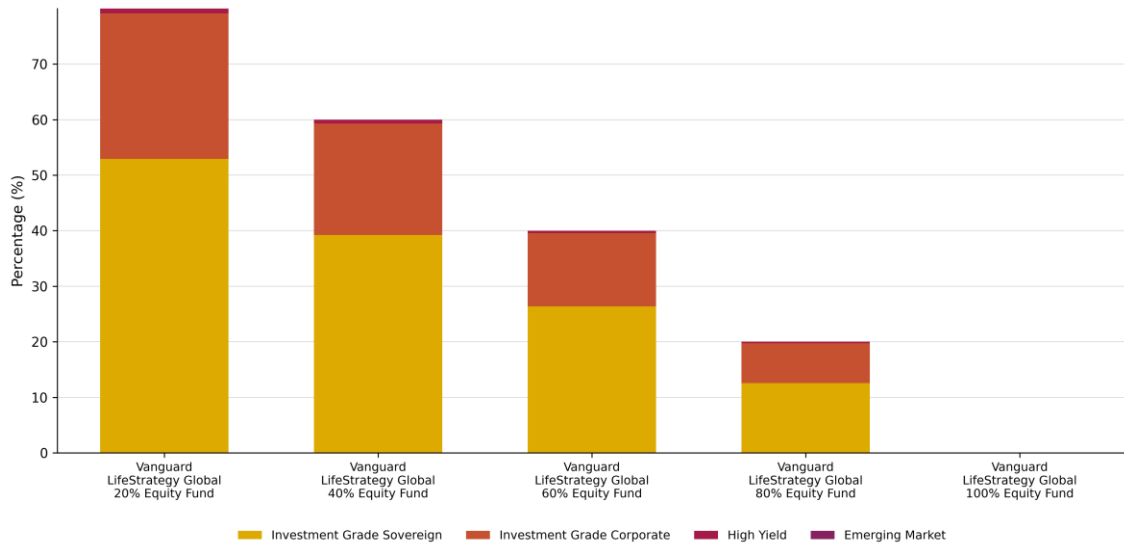


Figure 2.4: Bond Type Allocation

5 Summary

In the tables below, we summarise the risk profiles of the solutions based on the different measures set out above.

Fund Name	Calculated Risk Profile	Assigned Risk Profile
BlendedLife Dynamic 20% Equity MPS	3	3
BlendedLife Dynamic 40% Equity MPS	4	4
BlendedLife Dynamic 60% Equity MPS	5	5
BlendedLife Dynamic 80% Equity MPS	6	6
BlendedLife Dynamic 100% Equity MPS	7	7

Table 1: Range 1 - Summary of Risk Profile

Fund Name	Calculated Risk Profile	Assigned Risk Profile
Vanguard LifeStrategy Global 20% Equity Fund	3	3
Vanguard LifeStrategy Global 40% Equity Fund	4	4
Vanguard LifeStrategy Global 60% Equity Fund	5	5
Vanguard LifeStrategy Global 80% Equity Fund	6	6
Vanguard LifeStrategy Global 100% Equity Fund	8	8

Table 2: Range 2 - Summary of Risk Profile

- Based on the analysis above, we are comfortable with the profiles assigned to the solutions.
- We will continue to assess the suitability of the assigned profiles in our quarterly reviews (QRP).

Appendix A: Investment Assumptions

This appendix sets out the method used to generate the planning assumptions used on the Dynamic Planner platform.

The estimate of returns for equities, property and corporate bonds are calculated as a premium over gilts and then expressed as real returns (i.e. returns in excess of inflation). In addition to analysing historical index data, Dynamic Planner also uses the following market data to arrive at expected return assumptions:

- Yields on UK Gilts; conventional and index-linked,
- UK corporate bond yields,
- Yields on global bonds,
- Equity earnings and dividend yields,
- Economic growth forecasts.

Details of the Dynamic Planner estimation methodology can be made available on request.

Appendix B: Risk Profile Boundaries

The following table sets out the lower and upper volatility boundary for each risk profile used in the implementation of the Dynamic Planner application.

Risk Profile	Volatility of asset allocation	Lower boundary	Upper boundary
1	1.45%	0.0%	2.1%
2	3.30%	2.1%	4.2%
3	5.34%	4.2%	6.3%
4	7.35%	6.3%	8.4%
5	9.53%	8.4%	10.5%
6	11.64%	10.5%	12.6%
7	13.69%	12.6%	14.7%
8	15.87%	14.7%	16.8%
9	17.80%	16.8%	18.9%
10	19.73%	18.9%	21.0%

Table 3. Dynamic Planner Risk Profile boundaries

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