

Synaptic Risk Rating Service



Fact Sheet



Q1 2025

Using the Risk Rating Service

It is the responsibility of the adviser to ensure that the level of risk that their client is exposed to is appropriate for their circumstances. The online Synaptic Attitude to Risk Questionnaire can assist in performing and saving a client risk appraisal, and the Risk analysis provided in these Fact Sheets can assist in identifying a suitable investment:

- Establish with the client how much they can afford to lose (tolerance for loss)
- Establish with the client how much they are prepared to lose in relation to the investment objective under consideration
- Use the Synaptic Risk Rating Service, or Synaptic Modeller tool to establish the 'minimum gain', or 'Capacity for Loss' quotient
- Compare the numbers to see if there is alignment. Due to the subjective nature of risk, there is a reliance on the skill and experience of the adviser to ensure that 'informed consent' has been achieved, on the basis that the client understands and agrees to the risk proposition.

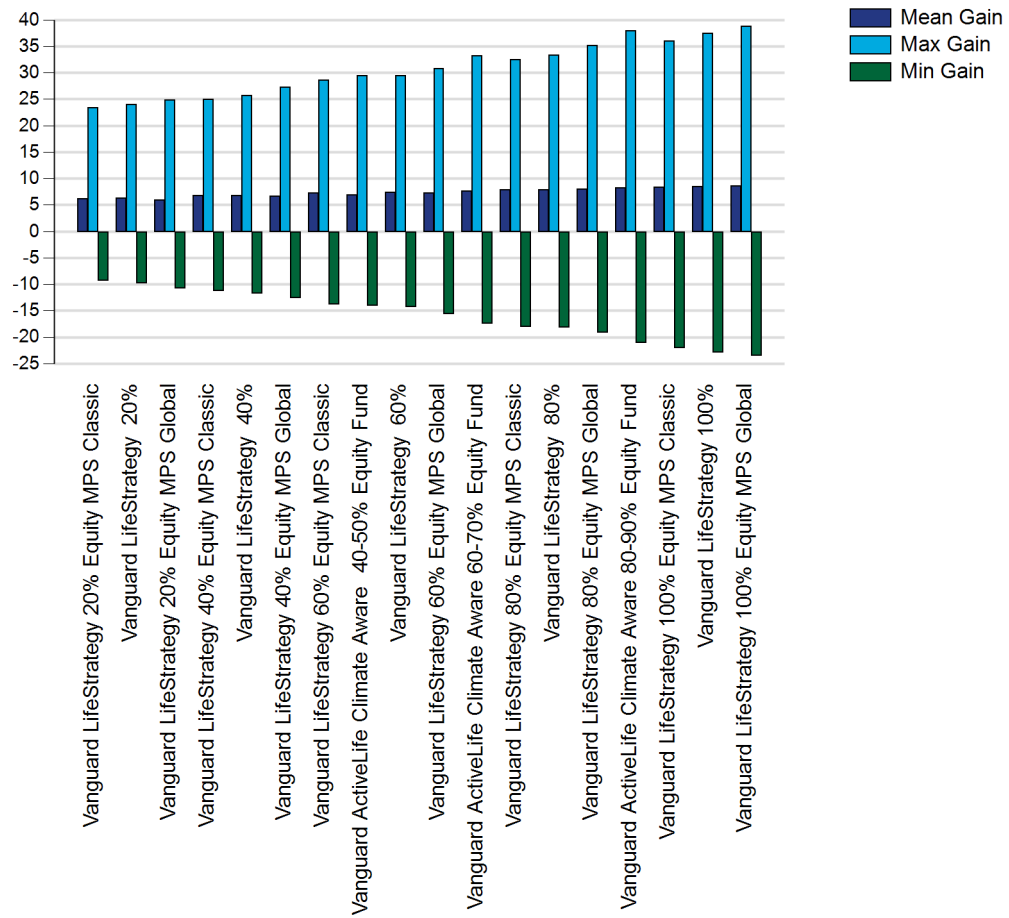
The Capacity for Loss Quotient

The Synaptic Risk Rating Service is derived from the risk framework provided by Moody's Analytic's Stochastic engine. It has been created to provide advisers with more robust, quantitative measures for risk than is generally available, and provide the opportunity for them to move away from Volatility based ratings. Projections are asset allocation of the underlying investments. The multiple scenarios modelled by the stochastic engine aim to capture the likelihood of a range of investment outcomes:

- The Minimum gain figure represents the possible loss to be sustained 5% (or 1 in 20 year event), in any one year. I.E. 'dear client, you have a 1 in 20 chance of losing 20% of your portfolio in any one year, in search of the higher returns you seek'.
- The Maximum gain figure represents the 5% of best possible outcomes returned by the model, and the Mean is the average annual growth calculated by the model.



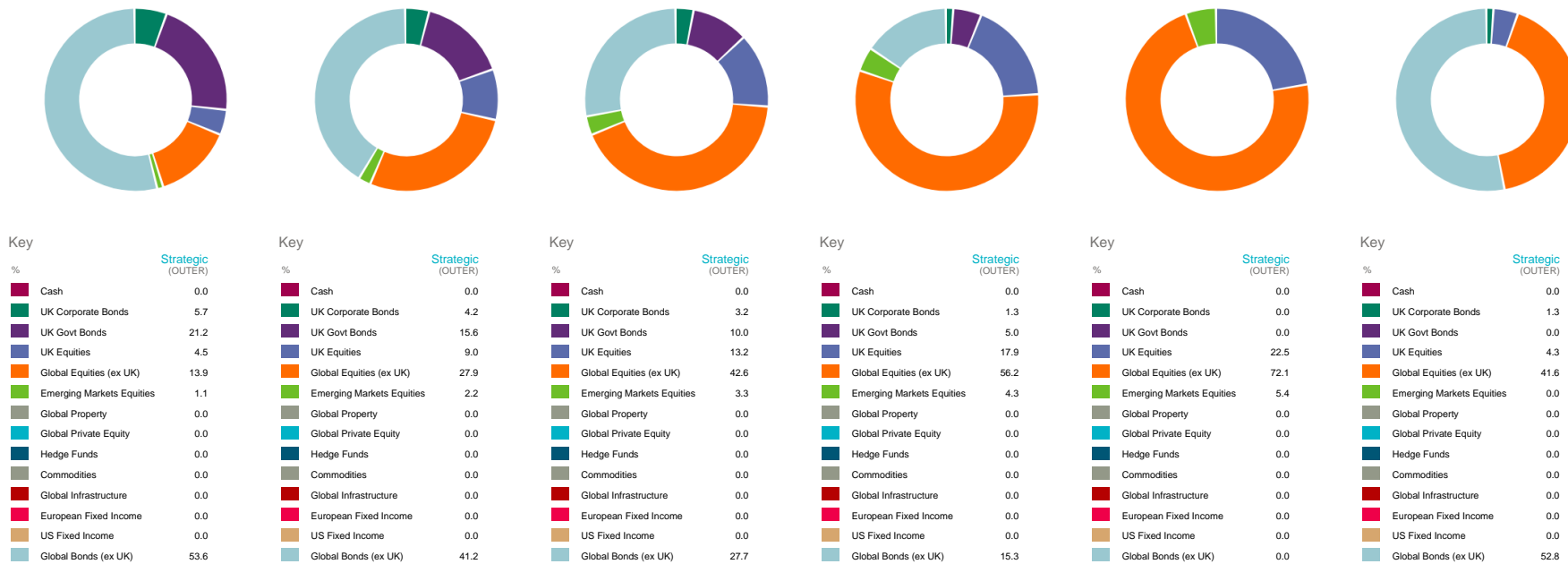
Graph showing spread of risk using Minimum, Mean and Maximum gain figures derived from the Moody's Analytic's stochastic outputs, as applied to the Strategic asset allocation



Strategic Asset Allocation

Vanguard LifeStrategy 20%		Vanguard LifeStrategy 40%		Vanguard LifeStrategy 60%		Vanguard LifeStrategy 80%		Vanguard LifeStrategy 100%		Vanguard ActiveLife Climate Aware 40-50% Equity Fund	
											
Moderately Cautious (High End)		Balanced (Low End)		Balanced (High End)		Moderately Adventurous (Low End)		Adventurous		Balanced (High End)	
Max gain	24.06%	Max gain	25.73%	Max gain	29.51%	Max gain	33.47%	Max gain	37.53%	Max gain	29.52%
Ave gain	6.34%	Ave gain	6.88%	Ave gain	7.45%	Ave gain	7.98%	Ave gain	8.60%	Ave gain	6.97%
Min gain	-9.69%	Min gain	-11.66%	Min gain	-14.28%	Min gain	-18.12%	Min gain	-22.85%	Min gain	-14.03%

Asset Allocation breakdown



Vanguard ActiveLife
Climate Aware 60-70%
Equity Fund

Vanguard ActiveLife
Climate Aware 80-90%
Equity Fund

Vanguard LifeStrategy
20% Equity MPS
Classic

Vanguard LifeStrategy
40% Equity MPS
Classic

Vanguard LifeStrategy
60% Equity MPS
Classic

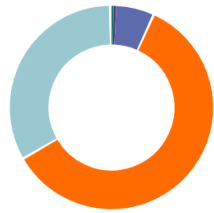
Vanguard LifeStrategy
80% Equity MPS
Classic



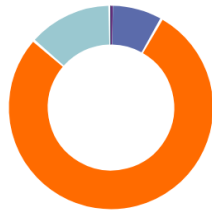
Strategic Asset Allocation

Vanguard ActiveLife Climate Aware 60-70% Equity Fund		Vanguard ActiveLife Climate Aware 80-90% Equity Fund		Vanguard LifeStrategy 20% Equity MPS Classic		Vanguard LifeStrategy 40% Equity MPS Classic		Vanguard LifeStrategy 60% Equity MPS Classic		Vanguard LifeStrategy 80% Equity MPS Classic	
Moderately Adventurous (Low End)		Moderately Adventurous (High End)		Moderately Cautious (High End)		Moderately Cautious (High End)		Balanced (Low End)		Moderately Adventurous (Low End)	
Max gain	33.26%	Max gain	38.03%	Max gain	23.46%	Max gain	25.10%	Max gain	28.73%	Max gain	32.58%
Ave gain	7.66%	Ave gain	8.36%	Ave gain	6.31%	Ave gain	6.84%	Ave gain	7.38%	Ave gain	7.91%
Min gain	-17.35%	Min gain	-20.97%	Min gain	-9.21%	Min gain	-11.19%	Min gain	-13.77%	Min gain	-18.00%

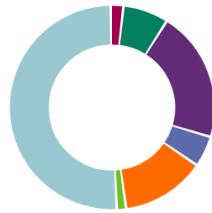
Asset Allocation breakdown



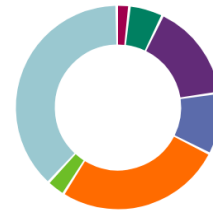
Key	%	Strategic (OUTER)
Cash	0.0	0.0
UK Corporate Bonds	0.7	0.0
UK Govt Bonds	0.0	0.0
UK Equities	6.2	0.0
Global Equities (ex UK)	59.9	33.1
Emerging Markets Equities	0.0	0.0
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	33.1	0.0



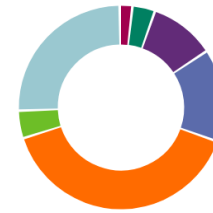
Key	%	Strategic (OUTER)
Cash	0.0	0.0
UK Corporate Bonds	0.3	0.0
UK Govt Bonds	0.0	0.0
UK Equities	8.1	0.0
Global Equities (ex UK)	78.2	13.4
Emerging Markets Equities	0.0	0.0
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	13.4	0.0



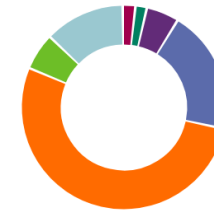
Key	%	Strategic (OUTER)
Cash	2.0	0.0
UK Corporate Bonds	7.2	0.0
UK Govt Bonds	20.7	0.0
UK Equities	4.9	0.0
Global Equities (ex UK)	13.2	50.6
Emerging Markets Equities	1.5	0.0
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	50.6	0.0



Key	%	Strategic (OUTER)
Cash	2.0	0.0
UK Corporate Bonds	5.4	0.0
UK Govt Bonds	15.5	0.0
UK Equities	9.8	0.0
Global Equities (ex UK)	26.5	37.9
Emerging Markets Equities	2.9	0.0
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	37.9	0.0



Key	%	Strategic (OUTER)
Cash	2.0	0.0
UK Corporate Bonds	3.6	0.0
UK Govt Bonds	10.3	0.0
UK Equities	14.7	0.0
Global Equities (ex UK)	39.7	25.3
Emerging Markets Equities	4.4	0.0
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	25.3	0.0



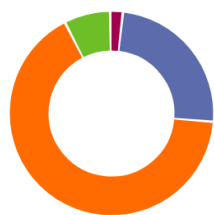
Key	%	Strategic (OUTER)
Cash	2.0	0.0
UK Corporate Bonds	1.8	0.0
UK Govt Bonds	5.2	0.0
UK Equities	19.6	0.0
Global Equities (ex UK)	53.0	12.6
Emerging Markets Equities	5.9	0.0
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	12.6	0.0



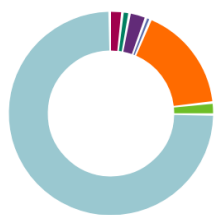
Strategic Asset Allocation

Vanguard LifeStrategy 100% Equity MPS Classic		Vanguard LifeStrategy 20% Equity MPS Global		Vanguard LifeStrategy 40% Equity MPS Global		Vanguard LifeStrategy 60% Equity MPS Global		Vanguard LifeStrategy 80% Equity MPS Global		Vanguard LifeStrategy 100% Equity MPS Global	
<div> <div>Synaptic Risk Rating</div> <div>9</div> <div>1-10</div> </div>		<div> <div>Synaptic Risk Rating</div> <div>4</div> <div>1-10</div> </div>		<div> <div>Synaptic Risk Rating</div> <div>5</div> <div>1-10</div> </div>		<div> <div>Synaptic Risk Rating</div> <div>6</div> <div>1-10</div> </div>		<div> <div>Synaptic Risk Rating</div> <div>8</div> <div>1-10</div> </div>		<div> <div>Synaptic Risk Rating</div> <div>10</div> <div>1-10</div> </div>	
Adventurous		Moderately Cautious (High End)		Balanced (Low End)		Balanced (High End)		Moderately Adventurous (High End)		Very Adventurous	
Max gain	36.13%	Max gain	24.90%	Max gain	27.39%	Max gain	30.84%	Max gain	35.28%	Max gain	38.91%
Ave gain	8.44%	Ave gain	6.04%	Ave gain	6.71%	Ave gain	7.37%	Ave gain	8.04%	Ave gain	8.70%
Min gain	-21.93%	Min gain	-10.75%	Min gain	-12.48%	Min gain	-15.54%	Min gain	-19.03%	Min gain	-23.48%

Asset Allocation breakdown



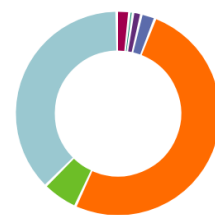
Key	%	Strategic (OUTER)
Cash	2.0	2.0
UK Corporate Bonds	0.0	0.0
UK Govt Bonds	0.0	0.0
UK Equities	24.5	24.5
Global Equities (ex UK)	66.2	66.2
Emerging Markets Equities	7.3	7.3
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	0.0	0.0



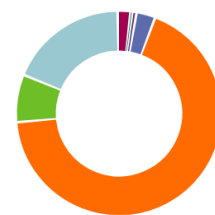
Key	%	Strategic (OUTER)
Cash	2.0	2.0
UK Corporate Bonds	1.1	1.1
UK Govt Bonds	2.7	2.7
UK Equities	0.8	0.8
Global Equities (ex UK)	17.0	17.0
Emerging Markets Equities	1.9	1.9
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	74.6	74.6



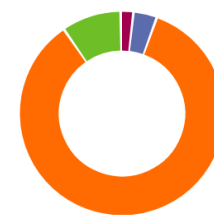
Key	%	Strategic (OUTER)
Cash	2.0	2.0
UK Corporate Bonds	0.8	0.8
UK Govt Bonds	2.0	2.0
UK Equities	1.5	1.5
Global Equities (ex UK)	34.0	34.0
Emerging Markets Equities	3.8	3.8
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	56.0	56.0



Key	%	Strategic (OUTER)
Cash	2.0	2.0
UK Corporate Bonds	0.6	0.6
UK Govt Bonds	1.3	1.3
UK Equities	2.2	2.2
Global Equities (ex UK)	50.9	50.9
Emerging Markets Equities	5.6	5.6
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	37.3	37.3



Key	%	Strategic (OUTER)
Cash	2.0	2.0
UK Corporate Bonds	0.3	0.3
UK Govt Bonds	0.7	0.7
UK Equities	3.0	3.0
Global Equities (ex UK)	67.9	67.9
Emerging Markets Equities	7.5	7.5
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	18.7	18.7



Key	%	Strategic (OUTER)
Cash	2.0	2.0
UK Corporate Bonds	0.0	0.0
UK Govt Bonds	0.0	0.0
UK Equities	3.7	3.7
Global Equities (ex UK)	84.9	84.9
Emerging Markets Equities	9.4	9.4
Global Property	0.0	0.0
Global Private Equity	0.0	0.0
Hedge Funds	0.0	0.0
Commodities	0.0	0.0
Global Infrastructure	0.0	0.0
European Fixed Income	0.0	0.0
US Fixed Income	0.0	0.0
Global Bonds (ex UK)	0.0	0.0