



Risk Rating

Prudential Risk Managed Passive Funds

April 2024



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Executive summary

Accumulation Risk Ratings

Summary

We conclude the following Risk Ratings for the Prudential Risk Managed Passive Funds:

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Assessment

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

Input 1 - Forecast the fund's future volatility

Input 2 - Discussion with the fund manager

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.

Our assessment has been considered by our Investment Committee, and has taken into account some of Prudential'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 Prudential.

Risk Managed Passive 1

Risk Rated on 23 April 2024

Mandate

The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit volatility over rolling 5 year periods to 9%.

There is no guarantee that the volatility target will be met and at any time the actual volatility may be higher or lower than the long term target.

Investment Committee Notes

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

Conclusion/Risk Rating



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Risk Managed Passive 2

Risk Rated on 23 April 2024

Mandate

The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit volatility over rolling 5 year periods to 10%.

There is no guarantee that the volatility target will be met and at any time the actual volatility may be higher or lower than the long term target.

Investment Committee Notes

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

Conclusion/Risk Rating



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July 2024

Defaqto Risk Ruler



Risk Managed Passive 3

Risk Rated on 23 April 2024

Mandate

The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit volatility over rolling 5 year periods to 12%.

There is no guarantee that the volatility target will be met and at any time the actual volatility may be higher or lower than the long term target.

Investment Committee Notes

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

Conclusion/Risk Rating



Next review

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Defaqto Risk Ruler



Risk Managed Passive 4

Risk Rated on 23 April 2024

Mandate

The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit volatility over rolling 5 year periods to 14.5%.

There is no guarantee that the volatility target will be met and at any time the actual volatility may be higher or lower than the long term target.

Investment Committee Notes

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

Conclusion/Risk Rating



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Defaqto Risk Ruler



Risk Managed Passive 5

Risk Rated on 23 April 2024

Mandate

The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit volatility over rolling 5 year periods to 17%.

There is no guarantee that the volatility target will be met and at any time the actual volatility may be higher or lower than the long term target.

Investment Committee Notes

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

Conclusion/Risk Rating



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