

Income Drawdown

Prudential Pru Risk managed Passive

June 2024

Income Drawdown



Executive summary

Prudential Risk Managed Passive 1

Prudential Risk Managed Passive 2

Prudential Risk Managed Passive 3

Prudential Risk Managed Passive 4

Prudential Risk Managed Passive 5

Executive summary

Income Drawdown Ratings

Summary

We conclude the following ratings for the Prudential Pru Risk managed Passive range:

Risk Managed Passive 1	Low Sequencing Risk
Risk Managed Passive 2	Low Sequencing Risk
Risk Managed Passive 3	Low Sequencing Risk
Risk Managed Passive 4	Medium Sequencing Risk
Risk Managed Passive 5	Medium Sequencing Risk

Assessment

The defaqto methodology involves using both quantitative and qualitative inputs in order to rate a portfolio:

Input 1 – worst 5% of expected tail value at risk returns based on the strategic asset allocation

Input 2 – worst 5% of expected tail value at risk returns based on the tactical asset allocation

Input 3 – worst historic 12-month performance

Input 4 – MiFID II costs (%)

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

Investment Committee summary

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

Our assessment has been considered by our Investment Committee and has considered some of Prudential 's suggestions when arriving at our ratings.

Using sequencing risk assessments to meet client requirements

Defaqto provide three levels of sequencing risk:

- Low sequencing risk
- Medium sequencing risk
- High sequencing risk

The assessed sequencing risk levels should be used in conjunction with the term-based expected sustainable income levels projected by the investment solutions, based upon their asset allocation.

The term-based expected sustainable income levels are provided on both a nominal and real basis to assist with future income planning.

The above can then be aligned to client requirements within the Income Drawdown workflow.

The individual assessment pages that follow will detail all of the parameters highlighted above.

Prudential Risk Managed Passive 1

Assessed: Jun 2024
Next review: Sep 2024



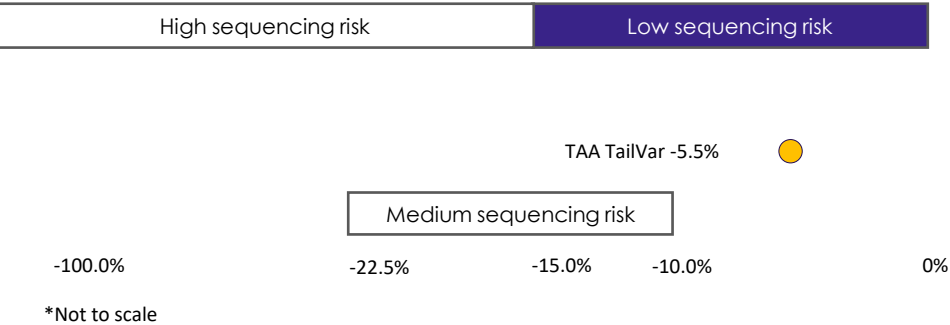
Sequencing Risk

Strategic Tail Value at Risk (TVaR) @5%	-
Tactical Tail Value at Risk (TVaR) @5%	-5.5%
MiFID II Cost (OCF plus transaction cost)	0.60%

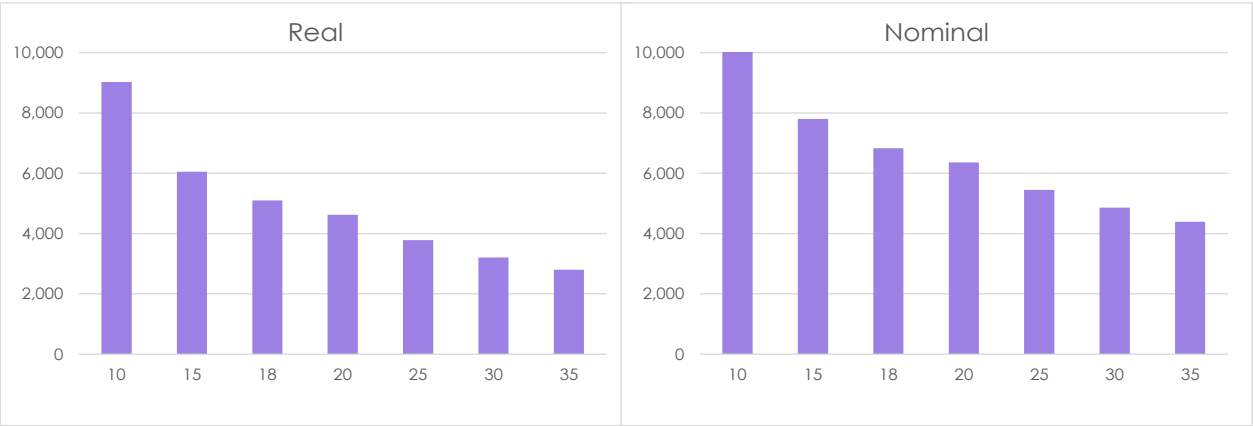
Historic worst 12 month return	Return	Period
3 year	-15.5%	16/10/2022
5 year	-15.5%	16/10/2022
10 year	-15.5%	16/10/2022

LOW SEQUENCING RISK

Defaqto sequencing risk ruler



Expected Sustainable Income



Investment Committee Notes:

The Defaqto Investment Committee reviewed this portfolio's strategy and asset allocation, and in agreement with the provider, we rated this portfolio as low sequencing risk for income drawdown. The fund's asset allocation is supplied by Prudential and risk forecasts are made using stochastic modeling provided by Hymans Robertson.



Prudential Risk Managed Passive 2

Assessed: Jun 2024
Next review: Sep 2024



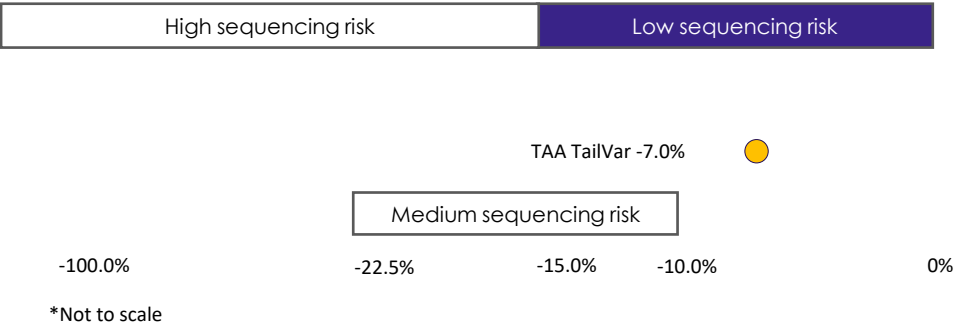
Sequencing Risk

Strategic Tail Value at Risk (TVaR) @5%	-
Tactical Tail Value at Risk (TVaR) @5%	-7.0%
MiFID II Cost (OCF plus transaction cost)	0.59%

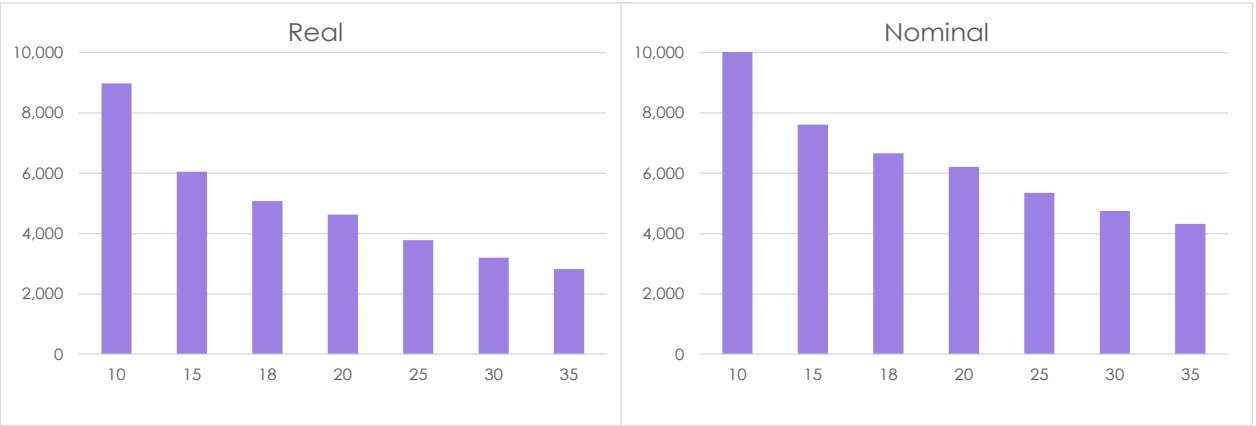
Historic worst 12 month return	Return	Period
3 year	-14.7%	16/10/2022
5 year	-14.7%	16/10/2022
10 year	-14.7%	16/10/2022

LOW SEQUENCING RISK

Defaqto sequencing risk ruler



Expected Sustainable Income



Investment Committee Notes:

The Defaqto Investment Committee reviewed this portfolio's strategy and asset allocation, and in agreement with the provider, we rated this portfolio as low sequencing risk for income drawdown. The fund's asset allocation is supplied by Prudential and risk forecasts are made using stochastic modeling provided by Hymans Robertson.



Prudential Risk Managed Passive 3

Assessed: Jun 2024
Next review: Sep 2024



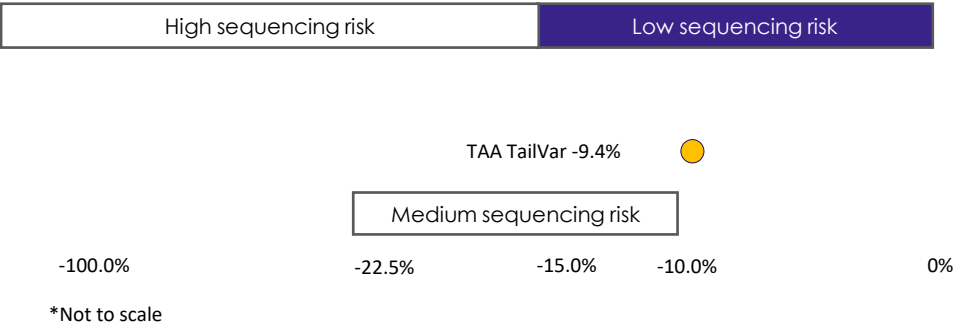
Sequencing Risk

Strategic Tail Value at Risk (TVaR) @5%	-
Tactical Tail Value at Risk (TVaR) @5%	-9.4%
MiFID II Cost (OCF plus transaction cost)	0.57%

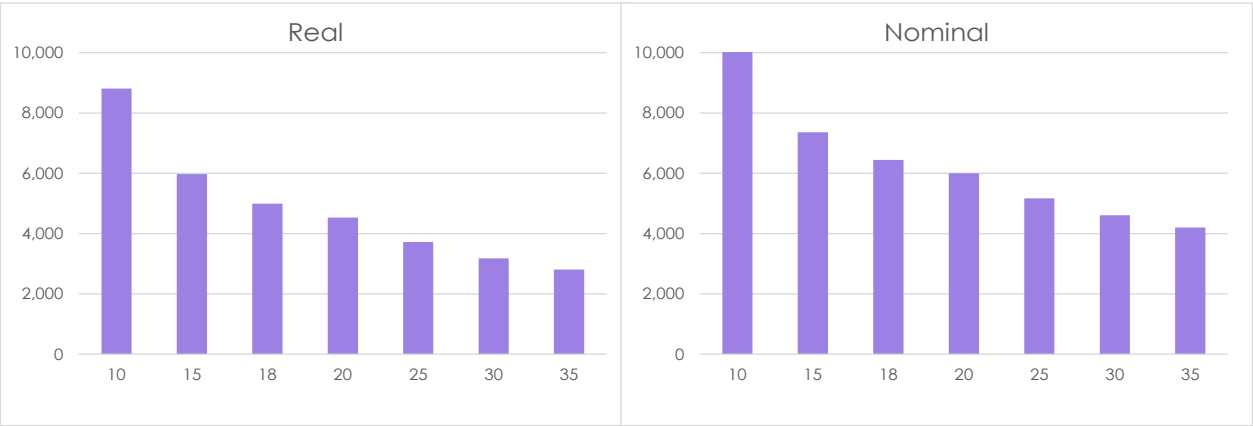
Historic worst 12 month return	Return	Period
3 year	-13.5%	16/10/2022
5 year	-13.5%	16/10/2022
10 year	-13.5%	16/10/2022

LOW SEQUENCING RISK

Defaqto sequencing risk ruler



Expected Sustainable Income



Investment Committee Notes:

The Defaqto Investment Committee reviewed this portfolio's strategy and asset allocation, and in agreement with the provider, we rated this portfolio as low sequencing risk for income drawdown. The fund's asset allocation is supplied by Prudential and risk forecasts are made using stochastic modeling provided by Hymans Robertson.



Prudential Risk Managed Passive 4

Assessed: Jun 2024
Next review: Sep 2024



Sequencing Risk

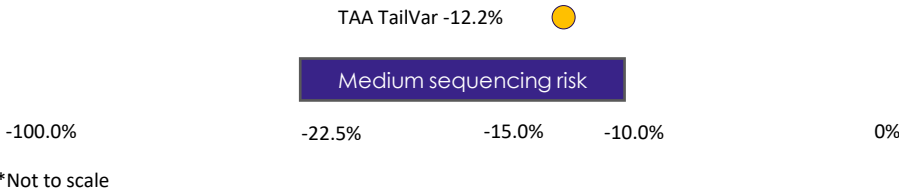
Strategic Tail Value at Risk (TVaR) @5%	-
Tactical Tail Value at Risk (TVaR) @5%	-12.2%
MiFID II Cost (OCF plus transaction cost)	0.56%

Historic worst 12 month return	Return	Period
3 year	-12.1%	16/10/2022
5 year	-12.1%	16/10/2022
10 year	-12.2%	22/03/2020

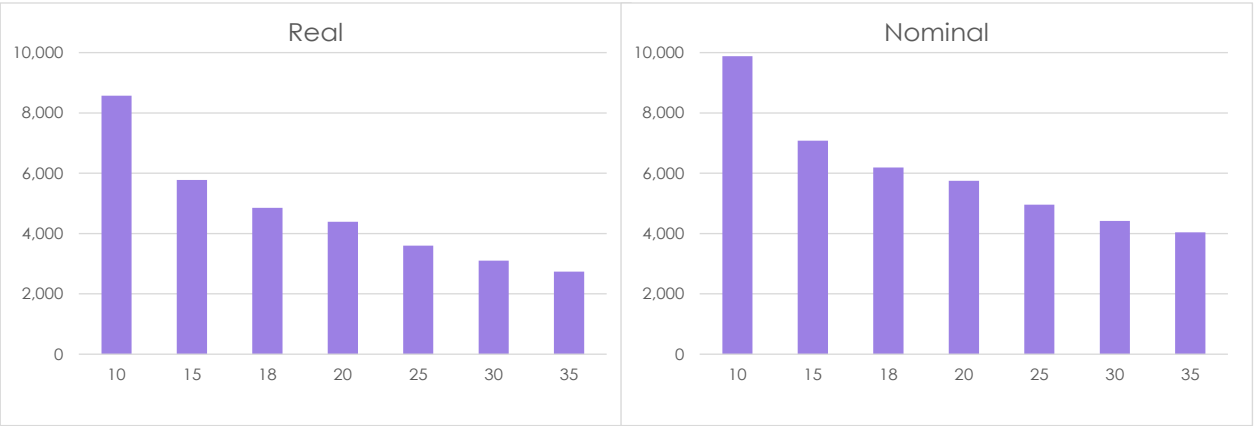
MEDIUM
SEQUENCING RISK

Defaqto sequencing risk ruler

High sequencing risk	Low sequencing risk
----------------------	---------------------



Expected Sustainable Income



Investment Committee Notes:

The Defaqto Investment Committee reviewed this portfolio's strategy and asset allocation, and in agreement with the provider, we rated this portfolio as medium sequencing risk for income drawdown. The fund's asset allocation is supplied by Prudential and risk forecasts are made using stochastic modeling provided by Hymans Robertson.



Prudential Risk Managed Passive 5

Assessed: Jun 2024
Next review: Sep 2024



Sequencing Risk

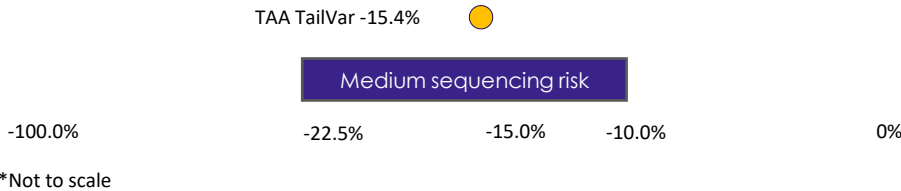
Strategic Tail Value at Risk (TVaR) @5%	-
Tactical Tail Value at Risk (TVaR) @5%	-15.4%
MiFID II Cost (OCF plus transaction cost)	0.57%

Historic worst 12 month return	Return	Period
3 year	-10.9%	16/10/2022
5 year	-10.9%	16/10/2022
10 year	-14.3%	22/03/2020

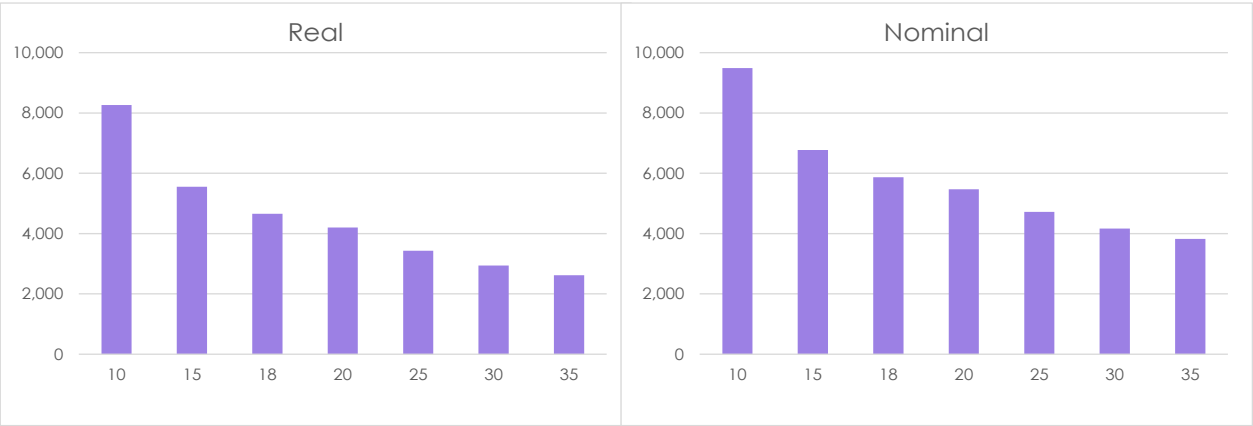
MEDIUM
SEQUENCING RISK

Defaqto sequencing risk ruler

High sequencing risk	Low sequencing risk
----------------------	---------------------



Expected Sustainable Income



Investment Committee Notes:

The Defaqto Investment Committee reviewed this portfolio's strategy and asset allocation, and in agreement with the provider, we rated this portfolio as medium sequencing risk for income drawdown. The fund's asset allocation is supplied by Prudential and risk forecasts are made using stochastic modeling provided by Hymans Robertson.

