











Dimensional Fund Advisers Quarterly Risk Profile Update Note

Q2 2025



Summary

Portfolio	Assigned Risk Profile	Latest Forecast Nominal Return^	Latest Forecast Real Return^	Latest Forecast Vol*	Latest Asset Allocation – Risk profile Equivalent*	Status
World Allocation 20/80 Fund	4	4.58%	2.03%	6.72%	4.20	
World Allocation 40/60 Fund	5	5.38%	2.81%	8.19%	4.90	
World Allocation 60/40 Fund	5	5.63%	3.05%	10.03%	5.77	
World Allocation 80/20 Fund	6	6.26%	3.67%	12.46%	6.93	
World Equity Fund	7	6.69%	4.09%	14.58%	7.94	
Core 100/0 Wealth Model (UK)	7	6.68%	4.08%	14.48%	7.90	
Core 80/20 Wealth Model (UK)	6	6.26%	3.67%	12.41%	6.91	
Core 60/40 Wealth Model (UK)	5	5.75%	3.17%	10.38%	5.94	
Core 40/60 Wealth Model (UK)	4	5.26%	2.69%	8.55%	5.07	
Core 20/80 Wealth Model (UK)	3	4.85%	2.30%	7.00%	4.33	
Core 0/100 Wealth Model (UK)	3	4.11%	1.57%	5.74%	3.73	
Core Plus 100/0 Wealth Model (UK)	7	6.71%	4.10%	14.85%	8.07	

^ 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 March 2025).

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

Summary

Portfolio	Assigned Risk Profile	Latest Forecast Nominal Return^	Latest Forecast Real Return^	Latest Forecast Vol*	Latest Asset Allocation – Risk Profile Equivalent*	Status
Core Plus 80/20 Wealth Model (UK)	6	6.26%	3.67%	12.68%	7.04	
Core Plus 60/40 Wealth Model (UK)	5	5.81%	3.23%	10.65%	6.07	
Core Plus 40/60 Wealth Model (UK)	4	5.31%	2.74%	8.76%	5.17	
Core Plus 20/80 Wealth Model (UK)	4	4.81%	2.25%	7.22%	4.44	
Core Plus 0/100 Wealth Model (UK)	3	4.37%	1.83%	6.18%	3.94	
Sustainability 100/0 Wealth Model (UK)	7	6.71%	4.11%	14.74%	8.02	
Sustainability 80/20 Wealth Model (UK)	6	6.25%	3.66%	12.58%	6.99	
Sustainability 60/40 Wealth Model (UK)	5	5.74%	3.16%	10.54%	6.02	
Sustainability 40/60 Wealth Model (UK)	5	5.22%	2.66%	8.89%	5.23	
Sustainability 20/80 Wealth Model (UK)	4	4.71%	2.15%	7.89%	4.76	
Sustainability 0/100 Wealth Model (UK)	4	4.18%	1.64%	7.75%	4.69	

^ 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 March 2025).

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

Further Analysis

As part of the Q2 2025 review, the Fund Risk Profiling team have judged the below solutions to warrant Amber status:

The following funds are **above their respective risk profiles** in this review, with most in **marginal breach of their upper boundaries**:

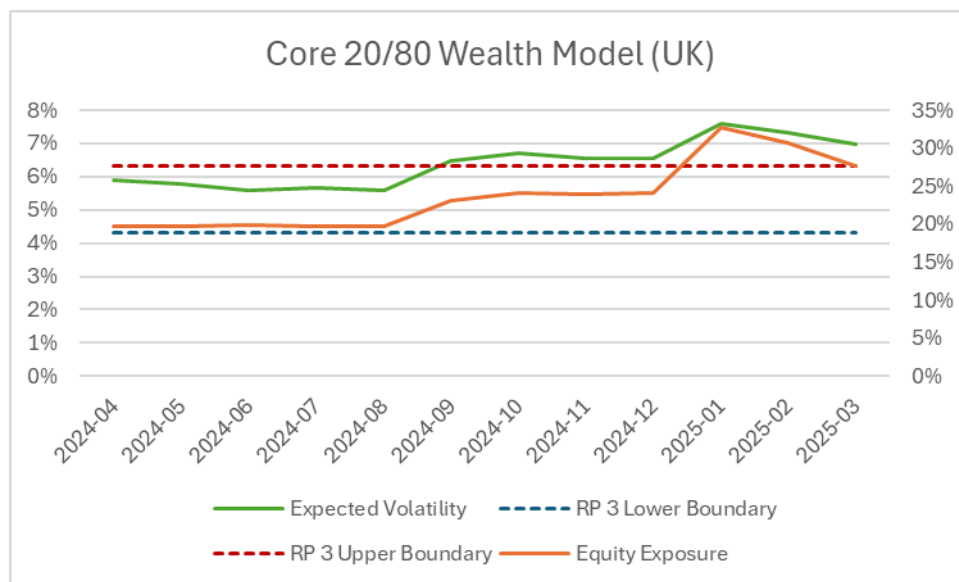
- Core 40/60 Wealth Model (UK)
- Core 20/80 Wealth Model (UK)
- Core Plus 100/0 Wealth Model (UK)
- Core Plus 80/20 Wealth Model (UK)
- Core Plus 60/40 Wealth Model (UK)
- Core Plus 40/60 Wealth Model (UK)
- Sustainability 100/0 Wealth Model (UK)
- Sustainability 60/40 Wealth Model (UK)

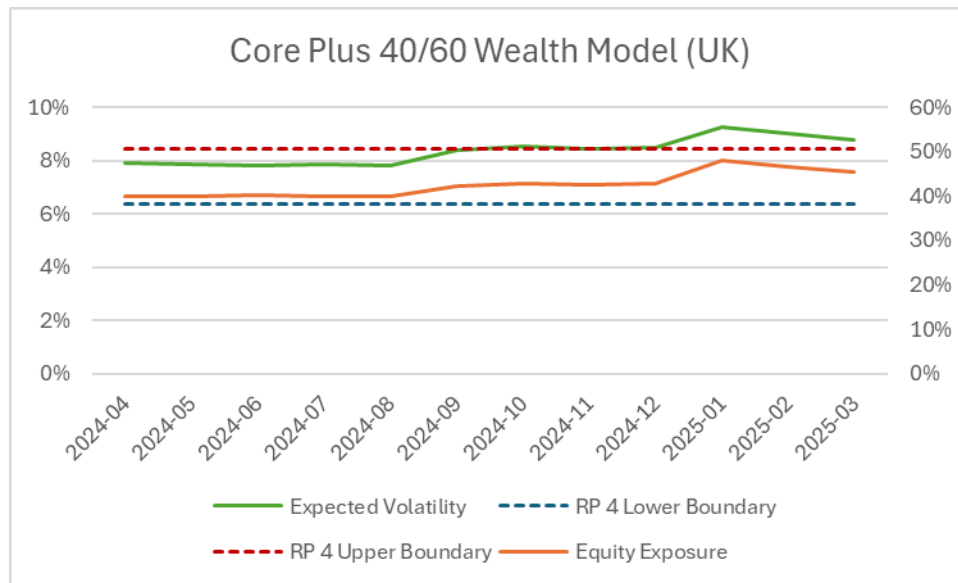
However, **Core 20/80 Wealth Model (UK)** and **Core Plus 40/60 Wealth Model (UK)** are notably above profile and have therefore been placed on **Amber** status this quarter.

As shown in the charts below:

- **Core 20/80** experienced a steady rise in equity exposure through late 2024, peaking in January 2025. This coincided with a sharp increase in expected volatility, pushing the fund **well above the RP3 upper boundary**.
- Similarly, **Core Plus 40/60** saw a marked increase in both equity exposure and volatility over the same period, with the fund **exceeding the RP4 upper boundary** for multiple months.

While the breaches across the rest of the range are marginal, these two funds show a **more sustained and material deviation from their assigned risk profiles**, warranting closer monitoring going forward.





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 Q2 2025. There have been no changes to the risk profile boundaries this quarter.

Appendix

Status descriptions



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.

Basis of Preparation and Use

You should not rely on this information in making an investment decision and it does not constitute a recommendation or advice in the selection of a specific investment or class of investments.

The analysis in this report has been based on data and information provided by Dimensional Fund Advisers as at 31 March 2025.

The information does not indicate a promise, forecast or illustration of future volatility or returns. The outputs represent a range of possible indications of volatility and returns for various collections of asset classes. Distribution Technology Ltd, trading as Dynamic Planner ("DP") is not liable for the data in respect of direct or consequential loss attaching to the use of or reliance upon this information.

DP does not warrant or claim that the information in this document or any associated form is compliant with obligations governing the provision of advice or the promotion of products as defined by the Financial Services Act.

Copyright

Distribution Technology Ltd 2017 onwards. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means, electronic or mechanical, including photocopying and recording for any purpose other than the purchaser's personal use without the written permission of DP.

Source of information

Bank of England, Barclays Capital Inc., Bloomberg LLC, Heriot Watt University Gilt database, International Monetary Fund (IMF) and Office of National Statistics

Publication date

28/06/2025

Trademarks

DP may have patents or pending patent applications, trademarks, copyrights or other intellectual property rights covering subject matter in this document. The furnishing of this document does not give you any license to these patents, trademarks, copyrights or other intellectual property rights except as expressly provided in any written license agreement from DP.

All other companies and product names are trademarks or registered trademarks of their respective holders.

www.dynamicplanner.com