

Risk Rating

EQ Investors Future Leaders

June 2022



Unit 12
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Executive summary

Accumulation Risk Ratings

Summary

We conclude the following Risk Ratings for the EQ Investors Future Leaders:

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Assessment

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

1. Input 1 - Historic volatility of the portfolio
2. Input 2 - Forecast the portfolio's future volatility
3. Input 3 - Discussion with the portfolio manager

Our methodology requires us to take the highest of the relevant historic and stochastic volatilities.

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

Our assessment has been considered by our Investment Committee, and has taken into account some of EQ Investors Future Leaders's suggestions when arriving at our risk ratings.

Investment Committee Summary

Historic Volatility

Historic volatilities of up to 1 years have been used.

Stochastic (future) volatility

Our analysis has been based on holdings data provided by EQ Investors Future Leaders.

EQ Investors Future Leaders Defensive

Risk rated on 08 June 2022

Mandate

The portfolio maintains a bias towards lower volatility investments with equity holdings limited to 40%. It focuses on capital protection with a moderate participation in equity market growth, and aims to reduce investment risk by diversifying across regions and asset classes.

Investment Committee Notes

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

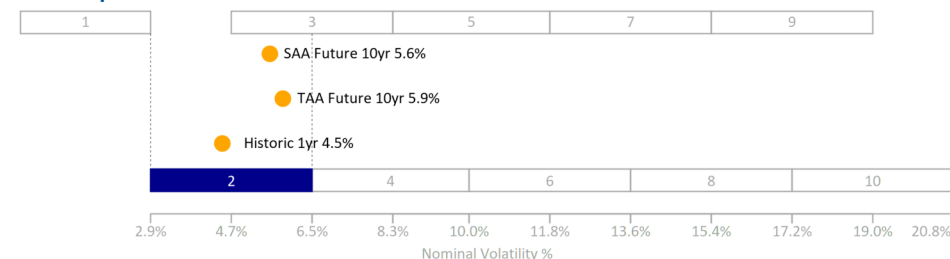
Conclusion/Risk Rating



Next review

September 2022

Defaqto Risk Ruler



EQ Investors Future Leaders Cautious

Risk rated on 08 June 2022

Mandate

The portfolio maintains a bias towards lower volatility investments with equity holdings limited to 50%. It focuses on capital protection with a moderate participation in equity market growth, and aims to reduce investment risk by diversifying across regions and asset classes.

Investment Committee Notes

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

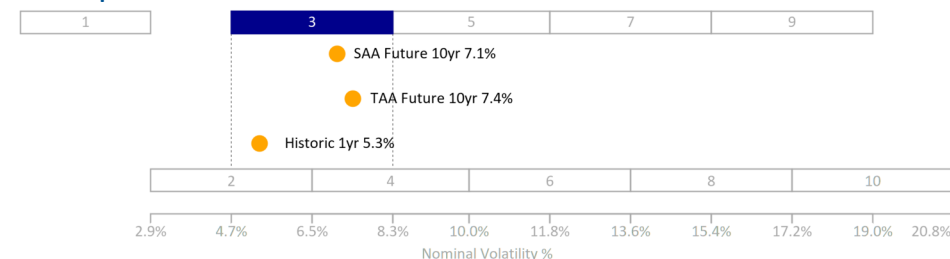
Conclusion/Risk Rating



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September 2022

Defaqto Risk Ruler



EQ Investors Future Leaders Cautious Plus

Risk rated on 08 June 2022

Mandate

The portfolio maintains a bias towards lower volatility investments with equity holdings limited to 60%. It focuses on capital protection with a moderate participation in equity market growth, and aims to reduce investment risk by diversifying across regions and asset classes

Investment Committee Notes

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

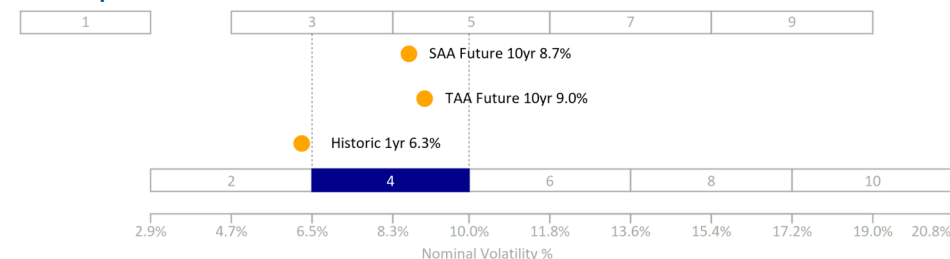
Conclusion/Risk Rating



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Defaqto Risk Ruler



EQ Investors Future Leaders Balanced

Risk rated on 08 June 2022

Mandate

The portfolio has a range of investments with different risks, where equity holdings are limited to 70%. It aims to reduce investment risk by diversifying across regions and asset classes, and achieve a balance of capital protection and participation in equity market growth.

Investment Committee Notes

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

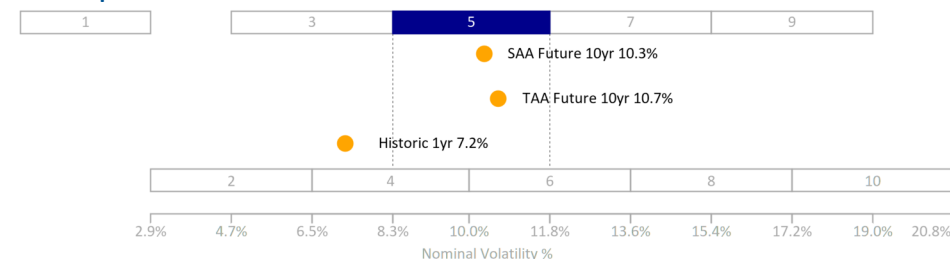
Conclusion/Risk Rating



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Defaqto Risk Ruler



EQ Investors Future Leaders Balanced Plus

Risk rated on 08 June 2022

Mandate

The portfolio has a range of investments with different risks, where equity holdings are limited to 80%. It aims to reduce investment risk by diversifying across regions and asset classes, and achieve a balance of capital protection and participation in equity market growth.

Investment Committee Notes

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

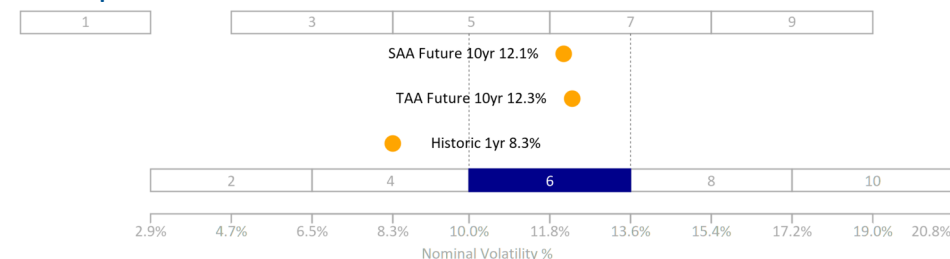
Conclusion/Risk Rating



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Defaqto Risk Ruler



EQ Investors Future Leaders Adventurous

Risk rated on 08 June 2022

Mandate

The portfolio maintains a bias towards higher volatility investments, with up to 90% invested in equity funds. It aims to diversify risk by investing across regions, and enhance returns through its asset allocation strategy and fund selections.

Investment Committee Notes

We used portfolio holdings supplied by EQ Investors Future Leaders to calculate all stochastic measures. Through discussion with EQ Investors Future Leaders in which the Defaqto methodology and their approach were considered, both Defaqto and EQ Investors Future Leaders believe that this portfolio is most appropriately risk rated as a 7.

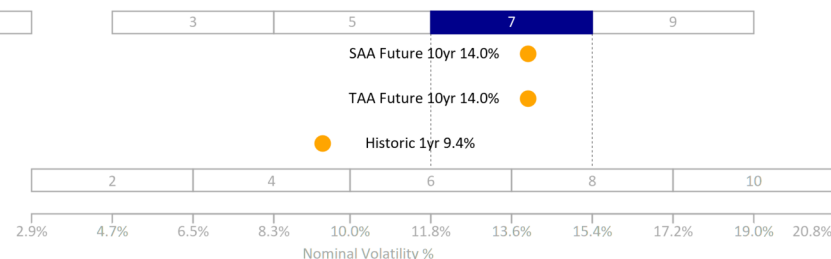
Conclusion/Risk Rating



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Defaqto Risk Ruler



EQ Investors Future Leaders Adventurous Plus

Risk rated on 08 June 2022

Mandate

The portfolio maintains a bias towards higher volatility investments, with up to 100% invested in equity funds. It aims to diversify risk by investing across regions, and enhance returns through its asset allocation strategy and fund selections. As a high risk portfolio, its performance is expected to be volatile.

Investment Committee Notes

We used portfolio holdings supplied by EQ Investors Future Leaders to calculate all stochastic measures. Through discussion with EQ Investors Future Leaders in which the Defaqto methodology and their approach were considered, both Defaqto and EQ Investors Future Leaders believe that this portfolio is most appropriately risk rated as a 8.

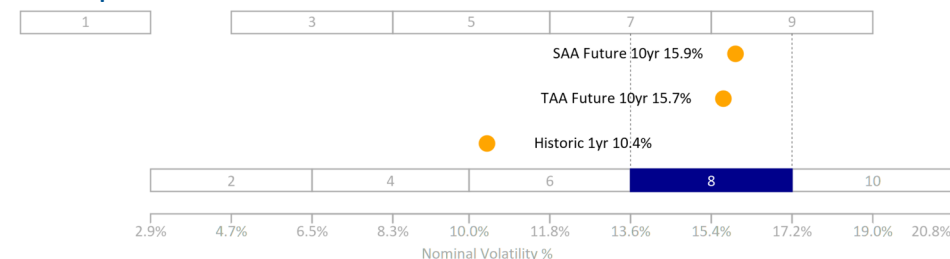
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Defaqto Risk Ruler



EQ Investors Future Leaders All Equity

Risk rated on 08 June 2022

Mandate

The portfolio is designed for the most adventurous risk profile, with up to 100% invested in equity funds. It is unconstrained by selection criteria within the universe of available equity funds, and can make concentrated investments, use sector specific funds, and invest in any geographic region. As a high risk portfolio, its performance is expected to be volatile.

Investment Committee Notes

We used portfolio holdings supplied by EQ Investors Future Leaders to calculate all stochastic measures. Through discussion with EQ Investors Future Leaders in which the Defaqto methodology and their approach were considered, both Defaqto and EQ Investors Future Leaders believe that this portfolio is most appropriately risk rated as a 9.

Conclusion/Risk Rating



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