

# STANDARD ASSET ALLOCATIONS— FOR GROWTH INVESTORS

The Old Mutual Wealth Risk Profiler is a tool we developed with leading investment consultancy Willis Towers Watson & Co (Willis Towers Watson) (authorised and regulated by the Financial Conduct Authority) which enables your financial adviser to determine your attitude to investment risk. This is in addition to the fact find your financial adviser will complete with you.

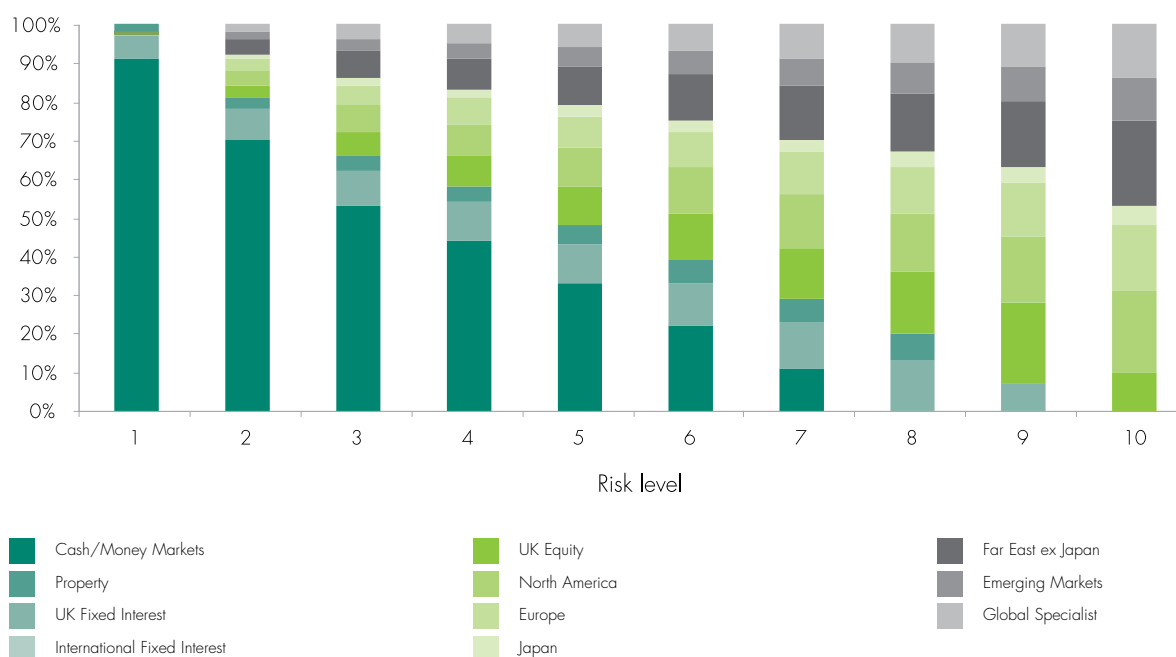
From your answers to a number of questions the Risk Profiler is able to calculate your appetite for risk and produce a risk score between 1 and 10, with 1 being the most averse to risk. Compared to other risk-managed fund solutions, we believe the Old Mutual Wealth Risk Profiler is able to determine the level of risk acceptable to you with greater consistency and sophistication.

Once your risk score has been established, the next step is to ensure that the mix of the different asset classes in your portfolio, known as the 'asset allocation', is the one that is the most likely to produce the highest mathematically expected returns for your particular risk profile (the major asset classes involved are shown in the table below). The asset allocation for a lower risk level portfolio will have a greater exposure to lower risk asset classes such as cash, whilst still providing some exposure to higher risk asset classes such as international equity. Similarly, a higher risk level portfolio will be more focused towards higher risk asset classes.

The graphs and corresponding tables below show the current standard Old Mutual Wealth asset allocations for each risk score. They take into account a set of economic, expense and tax assumptions that are reviewed periodically. There can be variations depending on the type of product involved. This is largely a result of the different tax treatments of certain asset classes (eg fixed interest) within those products. The Old Mutual Wealth asset allocations are subject to change without notice.

## Asset allocation

as at 18 June 2020



## Asset allocation (continued)

Asset class	Risk level									
	1	2	3	4	5	6	7	8	9	10
Cash/Money Markets	91.00%	70.00%	53.00%	44.00%	33.00%	22.00%	11.00%	0.00%	0.00%	0.00%
UK Fixed Interest	6.00%	8.00%	9.00%	10.00%	10.00%	11.00%	12.00%	13.00%	7.00%	0.00%
International Fixed Interest	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Property	2.00%	3.00%	4.00%	4.00%	5.00%	6.00%	6.00%	7.00%	0.00%	0.00%
UK Equity	0.00%	3.00%	6.00%	8.00%	10.00%	12.00%	13.00%	16.00%	21.00%	10.00%
North America	0.00%	4.00%	7.00%	8.00%	10.00%	12.00%	14.00%	15.00%	17.00%	21.00%
Europe	0.00%	3.00%	5.00%	7.00%	8.00%	9.00%	11.00%	12.00%	14.00%	17.00%
Japan	0.00%	1.00%	2.00%	2.00%	3.00%	3.00%	3.00%	4.00%	4.00%	5.00%
Far East ex Japan	0.00%	4.00%	7.00%	8.00%	10.00%	12.00%	14.00%	15.00%	17.00%	22.00%
Emerging Markets	0.00%	2.00%	3.00%	4.00%	5.00%	6.00%	7.00%	8.00%	9.00%	11.00%
Global Specialist	0.00%	2.00%	4.00%	5.00%	6.00%	7.00%	9.00%	10.00%	11.00%	14.00%
Total:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

### [www.oldmutualwealth.co.uk](http://www.oldmutualwealth.co.uk)

Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

Old Mutual Wealth is the trading name of Old Mutual Wealth Limited which provides an Individual Savings Account (ISA) and Collective Investment Account (CIA) and Old Mutual Wealth Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).

Old Mutual Wealth Limited and Old Mutual Wealth Life & Pensions Limited are registered in England and Wales under numbers 1680071 and 4163431 respectively.

Registered Office at Old Mutual House, Portland Terrace, Southampton SO14 7EJ, United Kingdom.

Old Mutual Wealth Limited is authorised and regulated by the Financial Conduct Authority.

Old Mutual Wealth Life & Pensions Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Financial Services register numbers are 165359 and 207977 respectively. VAT number 386 1301 59.

# STANDARD ASSET ALLOCATIONS- FOR YIELD INVESTORS

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From your answers to a number of questions the Risk Profiler is able to calculate your appetite for risk and produce a risk score between 1 and 10, with 1 being the most averse to risk. Compared to other risk-managed fund solutions, we believe the Old Mutual Wealth Risk Profiler is able to determine the level of risk acceptable to you with greater consistency and sophistication.

Once your risk score has been established, the next step is to ensure that the mix of the different asset classes in your portfolio, known as the 'asset allocation', is the one that is the most likely to produce the highest mathematically expected returns for your particular risk profile (the major asset classes involved are shown in the table below). The asset allocation for a lower risk level portfolio will have a greater exposure to lower risk asset classes such as cash, whilst still providing some exposure to higher risk asset classes such as international equity. Similarly, a higher risk level portfolio will be more focused towards higher risk asset classes.

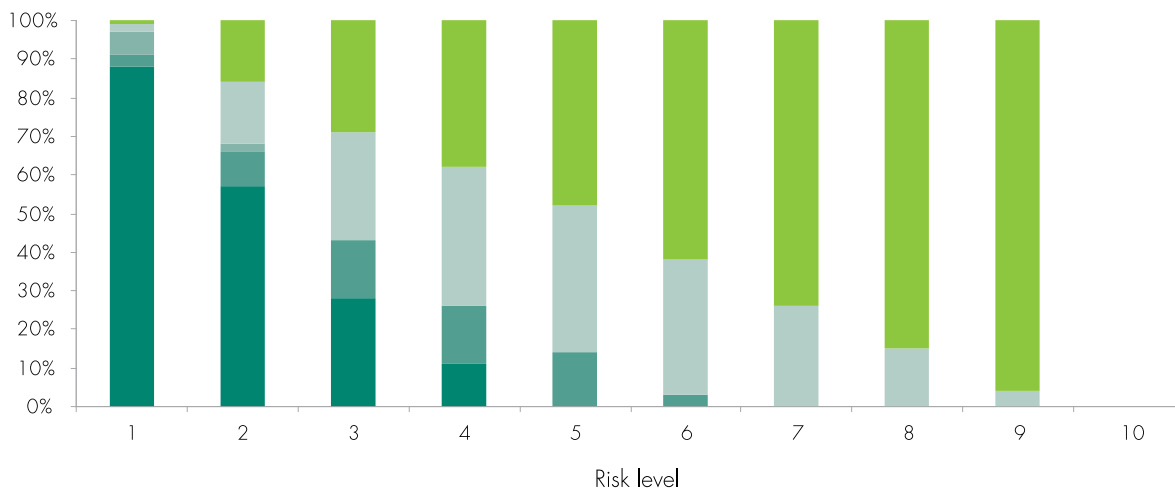
The graphs and corresponding tables below show the current standard Old Mutual Wealth asset allocations for each risk score. They take into account a set of economic, expense and tax assumptions that are reviewed periodically. There can be variations depending on the type of product involved. This is largely a result of the different tax treatments of certain asset classes (eg fixed interest) within those products.

International equity has been excluded from the yield investor asset allocation due to the relatively low income of the funds in this asset class. The Old Mutual Wealth asset allocations are subject to change without notice.

Please note that when you are using our online tools to construct or rebalance portfolios, you cannot currently select Risk Level 10 for a yield (income) investor. This is because within the asset allocation model, all of the equity income comes from UK (not international) equities. At the current time, UK equities only match the risk profile for Risk Level 9 and therefore no asset allocations are being produced for Risk Level 10.

## Asset allocation

as at 18 June 2020



## Asset allocation (continued)

Asset class	Risk level									
	1	2	3	4	5	6	7	8	9	10
Cash/Money Markets	88.00%	57.00%	28.00%	11.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Property	3.00%	9.00%	15.00%	15.00%	14.00%	3.00%	0.00%	0.00%	0.00%	0.00%
UK Fixed Interest	6.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
International Fixed Interest	2.00%	16.00%	28.00%	36.00%	38.00%	35.00%	26.00%	15.00%	4.00%	0.00%
UK Equity	1.00%	16.00%	29.00%	38.00%	48.00%	62.00%	74.00%	85.00%	96.00%	0.00%
Total:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Please note that when you are using our online tools to construct or rebalance portfolios, you cannot currently select Risk Level 10 for a yield (income) investor. This is because within the asset allocation model, all of the equity income comes from UK (not international) equities. At the current time, UK equities only match the risk profile for Risk Level 9 and therefore no asset allocations are being produced for Risk Level 10.

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