

Defaqto Risk Profile & Income Drawdown Mapping

August 2025

Defaqto is a leading independent research agency that rates thousands of investment solutions across the UK market, helping advisers and clients select the most appropriate investments for their financial goals. Here we outline two ratings that can be used to assist in making your selections:

RISK RATINGS

Independent and Trusted Risk Assessment

The Risk Ratings help identify how much risk is built into a portfolio on a scale from 1 (very low) to 10 (very high), based on asset allocation, volatility, and historical performance patterns.

This provides a consistent and objective benchmark to match portfolios to clients' risk profiles, aligns to their investment time horizons, supports advice suitability, and helps communicate investment decisions more clearly during client meetings and reviews.

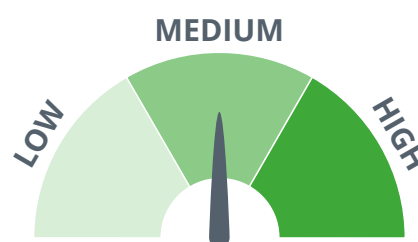


INCOME DRAWDOWN RISK RATINGS

Tailored Insights for Income Drawdown Clients

Defaqto's Income Drawdown Risk Ratings offer an additional layer of insight by assessing how portfolios could perform when clients are withdrawing income – particularly in adverse market conditions. These ratings classify portfolios as Low, Medium, or High risk based on the potential for loss during extreme events.

This enables advisers to manage sequencing risk more effectively and helps ensure portfolios remain appropriate for clients relying on sustainable income, such as those in or approaching retirement.



A More Complete Picture When Used Together

Using both Defaqto ratings side by side provides a more granular view of portfolio behaviour, aligning overall risk tolerance with the sustainability of income drawdown. This dual

lens gives clients confidence that their target income could be maintained over the required term, while the portfolio remains positioned for long-term growth and controlled downside risk.

MANAGED PORTFOLIO SERVICE (MPS) AND FUND MAPPING

The table below is designed to help advisers identify the most suitable strategy that aligns with their clients' risk profiles and income drawdown requirements, as defined by Defaqto.

	Risk Rating*	Income Drawdown Rating*
Managed Portfolio Service		
Tatton Classic Core Portfolio		
Global Equity	9	-
Aggressive	7	High
Active	6	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Global Core Portfolio		
Aggressive	8	High
Active	7	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Classic Managed Portfolio		
Global Equity	9	-
Aggressive	7	High
Active	6	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Global Managed Portfolio		
Aggressive	8	High
Active	7	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Ethical Portfolio		
Global Equity	9	-
Aggressive	8	-
Active	6	-
Balanced	5	-
Cautious	4	-
Defensive	3	-

	Risk Rating*	Income Drawdown Rating*
Managed Portfolio Service		
Tatton Classic Tracker Portfolio		
Global Equity	9	-
Aggressive	7	High
Active	6	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Global Tracker Portfolio		
Aggressive	8	High
Active	7	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Classic Income Portfolio		
Aggressive	8	High
Active	7	High
Balanced	5	Medium
Cautious	4	Low
Defensive	3	Low
Tatton Money Market Portfolio		
Money Market	2	-
Fund Range		
Tatton Blended Fund		
Aggressive	7	-
Active	6	-
Balanced	5	-
Cautious	4	-
Defensive	3	-
Tatton Passive Fund		
Growth	6	-
Balanced	5	-
Cautious	4	-

*Defaqto, as at 31 March 2025.

Why Tatton Supports the Use of These Ratings

At Tatton, we believe that transparent, independent validation is valuable when giving quality advice. That's why the vast majority of our investment solutions are Defaqto-rated.

By using Defaqto's Risk and Income Drawdown Ratings in conjunction with our investment solutions, advisers can demonstrate due diligence, strengthen their advice process, and clearly show how Tatton solutions are

aligned with client needs, both in terms of risk appetite and retirement income planning.

This approach not only supports better client outcomes but also reinforces your advice proposition with trusted, third-party validation – making it easier to evidence suitability, build client trust, and deliver a repeatable, compliant investment process.

Risk Rating Methodology

Based on robust quantitative analysis, including measures such as portfolio volatility, maximum drawdown, and expected losses in adverse market conditions (95% Conditional Value at Risk). Each portfolio is assessed against Defaqto's asset allocation benchmarks to ensure it aligns with defined risk levels. This consistent, data-driven approach allows advisers to compare MPS solutions objectively and match them more accurately to client risk profiles.

Income Drawdown Risk Rating Methodology

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

Input 1: Worst 5% of expected tail value risk returns based on the tactical asset allocation

Input 2: Worst history 12-month performance

Input 3: MiFID II costs (%)

The investment committee consider all data points before arriving at their decision.



Important Information

The value of investments and the income from them can fluctuate and it is possible that investors may not get back the amount they invested.

Advisers are responsible for considering all relevant factors such as risk tolerance, financial situation, capacity for loss, and investment time horizon when assessing the suitability of Tatton's strategies for their clients.

Ratings are subject to change.

For more information visit [tattoninvestments.com](https://www.tattoninvestments.com)

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