

**Vanguard<sup>®</sup>**

# **Assessment of value report**

JANUARY 2024



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# Introduction

The Financial Conduct Authority (FCA), the regulator, requires authorised asset managers to make an annual assessment of the value they provide to investors, to help them make more informed decisions about their investments. This looks not just at costs in isolation but also their level in the context of the performance of their funds and the other benefits provided.

This is the fifth of Vanguard's annual assessment of value (AoV) reports, in which we have concluded that it continued to provide good value to investors in our UK funds in the year to 30 September 2023.

This assessment of value report aligns with Vanguard's core purpose, which is "to take a stand for all investors, to treat them fairly and to give them the best chance for investment success". We believe the assessment of value exercise should make it easier for investors to evaluate whether investment managers are providing them with value for money.

Between November 2022 and March 2023, the FCA reviewed the AoV arrangements of 14 authorised fund managers. In August 2023, it published its findings and we note that we are meeting the FCA's requirements, but have made some minor enhancements. For example, we now evaluate our active fund performance over a specific minimum recommended holding period as well as reporting against the longest available period (for more information on this, please see page 8).

In this report, we have reconsidered each of the FCA's seven assessment criteria with equal weighting – performance, general costs of the fund, economies of scale, comparable market rates, comparable services, classes of units and quality of service.

## Among the highlights are:

- **Charges.** The ongoing charges figures (OCFs)<sup>1</sup> and fees for all our funds are, on average, 74% cheaper than their Morningstar<sup>2</sup> category average (73% cheaper last year). We achieve this through

a disciplined approach to managing costs; by generating economies of scale and through the competitive pricing that we can offer as part of one of the largest asset managers in the world.

- **Performance.** We monitor the performance of our funds rigorously and regularly at multiple levels to support our ability to deliver good value. Using a number of metrics, which we outline in the performance section of the report (page 7), the performance of 97% of our funds achieved a green rating (compared to 97% last year)<sup>3</sup>. Furthermore, 84% of our UK-domiciled funds outperformed their respective Morningstar peer-group average over their longest time period (either one year, three years, five years or ten years)<sup>4</sup>. You can read more on how we have assessed our active funds on page 8.
- **Global scale, resources and experience.** Investors in our UK-domiciled funds benefit from a world-class global infrastructure, well-resourced teams and a depth of experience at a price that represents significant value.
- **Share-class structures and pricing.** Our simple and transparent approach allows investors to make informed choices and avoid being inappropriately invested in expensive share classes. We aim to have the same price for all retail investors irrespective of the access channel they use.
- **Service.** The definition of quality of service evolves during times of market turbulence, economic pressure and recessionary concerns. We communicate with retail investors (our core customers) and advisers to ensure they are well informed and supported in turbulent markets to help them meet their long-term investment objectives.

This year's assessment of value review occurred against a backdrop of continued challenges for investors in global markets. Following a difficult year

1 Ongoing charges figure (OCF) is the sum of investment management fees (the fees paid to the portfolio manager to invest and manage the fund) and administrative and other expenses (which cover all costs and expenses connected with the operation of the fund, which includes administrative fees, shareholder's registration and transfer agency fees, custody fees and all other operating expenses).

2 Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. Source: Morningstar as at 30 September 2023.

3 Source: Vanguard 1 October 2022 to 30 September 2023.

4 Source: Vanguard/Morningstar as at 30 September 2023. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled mutual funds and exchange traded funds (ETFs) (all share classes). Does not include share classes that were launched in 2023.

in 2022, investors in 2023 faced continued geopolitical tensions, rising interest rates, slowing growth and cost-of-living pressures.

UK markets faced heightened volatility (or swings in prices) as investors grappled with mixed economic data, inflationary pressures and subsequent fears of recession. Towards the end of the reporting period, investor sentiment started to shift from an expected recession to a softer landing for the economy<sup>5</sup>.

Vanguard's investment philosophy is particularly relevant during periods of continued volatility such as this. We believe Vanguard's four investment principles of establishing goals, maintaining a balanced portfolio of global shares and bonds<sup>6</sup>, controlling costs and maintaining discipline hold true in testing times for financial markets and give investors their best chance for investment success.

Shares and bonds typically have an inverse relationship (when share prices rise, bond prices typically fall and vice versa), and this relationship largely played out as expected in 2023, following a challenging 2022. This shows the importance of maintaining a portfolio that is diversified across shares and bonds for the long term and maintaining discipline in times of market stress.

Market downturns are not rare events and investors will typically face many of them in their lifetimes<sup>7</sup>. But history suggests that it is time in the market, rather than trying to time the market, that can improve an investor's chances of meeting their long-term financial goals.

## Consumer duty

In addition to this report, the FCA's Consumer Duty came into effect in July 2023. This sets higher expectations for the standards of care that firms must provide to their retail customers and aligns with Vanguard's core purpose and mission. Many of the insights gathered from the assessment of value review have been used in our Consumer Duty response, which, alongside the AoV, has enabled us to demonstrate the value we provide to investors across our full European fund line-up. Likewise, key areas of focus from Consumer Duty have been reflected in our AoV review for this year.

## Our assessment of value

The table on page 5 provides a fund-by-fund summary of the results of the comprehensive assessment we have undertaken.

Overall, the information in this report supports the conclusion that Vanguard continued to provide good value to investors in the UK market for the year to 30 September 2023.

However, in the spirit of the assessment of value process, we recognise that we should not be complacent and we are continually looking for opportunities to improve.



**John Bendl,**  
Chair, Vanguard Investments UK,  
Limited (VIUK).

- 5 Defined as the process of an economy shifting from growth to slow growth to potentially flat, as it approaches but avoids a recession.
- 6 Bonds are a type of loan issued by governments or companies, which typically pay a fixed amount of interest and return the capital at the end of the term. Bonds have historically tended to be less volatile than shares over the long term, so they can play an important role in investors' portfolios by helping to smooth returns from higher-risk investment such as shares.
- 7 Defined as market declines of 20% or more from peak to trough. Since 1972, investors have experienced 8 such declines, but markets have recovered. Sources: Vanguard calculations, using the MSCI World Index from 1 January 1972 to 31 December 1987, and the MSCI AC World Index to 3 October 2023. **Past performance is no guarantee of future returns.**

# Summary of findings

This table summarises the outcome of our review for each of Vanguard's UK-domiciled funds for the year ending 30 September 2023, using the seven assessment criteria set by the FCA.

VANGUARD FUNDS	PERFORMANCE	GENERAL COSTS OF THE FUND	ECONOMIES OF SCALE	COMPARABLE MARKET RATES	COMPARABLE SERVICES	CLASSES OF UNITS	QUALITY OF SERVICE	OVERALL FUND RATING
<b>Index funds</b>								
FTSE 100 Index Unit Trust	●	●	●	●	●	●	●	●
FTSE Developed Europe ex-U.K. Equity Index	●	●	●	●	●	●	●	●
FTSE Developed World ex-U.K. Equity Index	●	●	●	●	●	●	●	●
FTSE Global All Cap Index	●	●	●	●	●	●	●	●
FTSE U.K. All Share Index Unit Trust	●	●	●	●	●	●	●	●
FTSE U.K. Equity Income Index	●	●	●	●	●	●	●	●
U.K. Inflation-Linked Gilt Index	●	●	●	●	●	●	●	●
U.K. Long Duration Gilt Index	●	●	●	●	●	●	●	●
U.S. Equity Index	●	●	●	●	●	●	●	●
ESG Developed World Index	●	●	●	●	●	●	●	●
<b>Active funds</b>								
Active U.K. Equity	●	●	●	●	●	●	●	●
Global Emerging Markets	●	●	●	●	●	●	●	●
Global Equity	●	●	●	●	●	●	●	●
Global Equity Income	●	●	●	●	●	●	●	●
Global Sustainable Equity	●	●	●	●	●	●	●	●
SustainableLife 40-50% Equity	●	●	●	●	●	●	●	●
SustainableLife 60-70% Equity	●	●	●	●	●	●	●	●
SustainableLife 80-90% Equity	●	●	●	●	●	●	●	●
Sterling Short-Term Money Market	●	●	●	●	●	●	●	●
<b>Multi-asset fund of funds</b>								
LifeStrategy 20% Equity	●	●	●	●	●	●	●	●
LifeStrategy 40% Equity	●	●	●	●	●	●	●	●
LifeStrategy 60% Equity	●	●	●	●	●	●	●	●
LifeStrategy 80% Equity	●	●	●	●	●	●	●	●
LifeStrategy 100% Equity	●	●	●	●	●	●	●	●
Target Retirement 2015	●	●	●	●	●	●	●	●
Target Retirement 2020	●	●	●	●	●	●	●	●
Target Retirement 2025	●	●	●	●	●	●	●	●
Target Retirement 2030	●	●	●	●	●	●	●	●
Target Retirement 2035	●	●	●	●	●	●	●	●
Target Retirement 2040	●	●	●	●	●	●	●	●
Target Retirement 2045	●	●	●	●	●	●	●	●
Target Retirement 2050	●	●	●	●	●	●	●	●
Target Retirement 2055	●	●	●	●	●	●	●	●
Target Retirement 2060	●	●	●	●	●	●	●	●
Target Retirement 2065	●	●	●	●	●	●	●	●

## Key

- = Fund provides good value.
- = Fund provides value but merits some action or further monitoring.
- = Fund does not provide good value.

None of our funds received a ● rating.

While all analysis was undertaken at an individual share-class level, there were no observed differences with the fund-level analysis, either against any of the seven assessment criteria or at an overall level. This was true across accumulation and income share classes as well as general and Institutional Plus classes (please see the 'Classes of shares' section for definitions on page 14). Hence, the above table only shows a fund-level summary view for simplicity and clarity.

# Performance

## Does the fund provide good performance in relation to its investment objective?

### What do we mean by good value?

- Investors in active funds generally seek to do better than some measure of the wider market, which is often known as the fund's "benchmark". We consider that we provide value when our active funds consistently perform strongly in comparison to the benchmark, as well as other managers' funds with similar objectives, over a range of time periods. We place greater emphasis on longer periods as we believe a long-term approach gives clients the best chance of investment success. In line with the FCA's recommendations, we also consider performance over the minimum recommended holding periods for the funds.
- Investors in index funds are generally seeking performance that closely matches the benchmark defined for that particular fund. We provide value when the performance of our funds achieves a close match to the benchmark and also performs well in comparison to other managers' similar funds over a range of time periods.
- Our LifeStrategy and Target Retirement Funds are not managed in relation to a benchmark but to an investment objective, such as to increase the value of the investments through exposure to a diversified portfolio. For these types of funds, we provide value when our funds deliver their objective. We also consider how our funds perform compared with similar funds provided by other investment managers when assessing value.

### How we measured up

We monitor performance rigorously and regularly at multiple levels, believing this supports our ability to deliver good value. When assessing the performance of Vanguard's UK-domiciled funds, we use a wide range of metrics, including those outlined above. Using these criteria, we found that 34 out of 35 funds (97%) were rated green, one was amber and none were red. In last year's report, there were 32 funds in total, with one being rated amber and none red.

Fund performance is primarily considered against its specific investment objective. Additionally, relative to their Morningstar peer groups, 84% of funds outperformed their peer groups at a share-class level over the longest period – be that one, three, five or ten years<sup>8</sup>. Over a one-year period, 76% performed above their peer group, 66% over a three-year period, 86% over five years and 83% over ten years.

All our index funds were found to be closely matching their defined benchmarks within an acceptable range, over a number of time periods, as shown in the performance tables in our appendix on page 18.

Furthermore, 77% of our index funds outperformed their respective peer-group average at a share-class level over the longest time period available<sup>9</sup>. This was slightly down from the 79% reported last year, largely due to the performance of the UK fixed income market over the period. Over the reporting period alone, the Bank of England raised interest rates seven times (from 3 November 2022 to 3 August 2023), in response to persistent high inflation. Since some of our funds have a longer duration than most of their peers (meaning they are more susceptible to interest-rate changes), the steep interest rate hikes had a greater impact on the performance of these funds, relative to peers, contributing to the slight downward trend.

8 Source: Vanguard/Morningstar as at 30 September 2023. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled mutual funds (MFs) and ETFs (all share classes). Does not include share classes that were launched in 2023.

9 Source: Vanguard/Morningstar as at 30 September 2023. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2023.



Of our multi-asset funds (LifeStrategy and Target Retirement Funds), all our funds met their investment objectives. Furthermore, 90% outperformed their peer-group<sup>10</sup> average at a share-class level over their longest time period<sup>11</sup>.

Of our active funds, 89% outperformed their respective peer-group average over their longest time period, either one year, three years or five years<sup>12</sup>. The minimum recommended holding period (MRHP) was also considered when assessing the performance of our active funds. Most of our externally managed active funds<sup>13</sup> have a MRHP of 5 years<sup>14</sup>; of those funds that have reached their MRHP<sup>15</sup>, 100% have outperformed their peer group over the same period. Of those active funds that have reached their MRHP, 50% have outperformed their reference benchmark over the period.

We have provided more information on the specific funds that we believe need to be monitored below.

### How we can improve

In last year's report, the Vanguard Active UK Equity Fund moved from a green to amber rating, and it remains amber this year due to continued underperformance. Despite improvement in the short-term performance, we continue to monitor it for the reasons outlined below.

The fund's strategy is executed by two external managers. Baillie Gifford has been on the mandate since launch, while the other manager was changed last year from Marathon to Schroders.

As highlighted in last year's report, the main driver of the fund's underperformance has been the Baillie Gifford portion of the fund. The Board has met with Baillie Gifford to understand its process and discuss the recent challenges.

Despite these challenges, the fund's performance has improved, having only marginally underperformed against the benchmark over the one-year period as at the end of September 2023, by 0.9 percentage points.

Although still trailing against the benchmark by 10.2 percentage points over the three-year period, both managers outperformed over the first half of the year<sup>16</sup>. Vanguard continues to have confidence in both Baillie Gifford and Schroders, and we expect the performance of the fund to improve over time.

### Conclusion

Overall, we concluded that the performance record of the UK fund range provided good value to investors, while acknowledging some areas for improvement.

**Past performance is not a reliable indicator of future results.**

10 Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled MFs and ETFs (all share classes).

11 Source: Vanguard/Morningstar as at 30 September 2023. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2023.

12 Source: Vanguard/Morningstar as at 30 September 2023. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2023.

13 Portfolio management of the UK active funds is outsourced. The oversight of the external sub-advisers is delegated to the internal Oversight and Manager Search (O&MS) team based in the US.

14 The SustainableLife 40-50% Equity Fund has a MRHP of 3 years.

15 The SustainableLife range (excluding the SustainableLife 60-70% Fund), the Global Sustainable Equity Fund and the Active U.K Equity fund have not yet reached their MRHPs.

16 Source: Vanguard/Morningstar as at 30 September 2023. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2023.

# General costs of the fund

## Are the charges fair compared with the cost to Vanguard of providing the services I am paying for?

### What do we mean by good value?

The fees paid by the investor should be reasonable in comparison to the cost of the service they or their fund is receiving. This applies not just to OCFs but to any other charges, such as audit fees, legal fees etc. The charges should be transparent and clear to the investor, with no hidden costs.

### How we measured up

It is a Vanguard principle that we exercise discipline over cost management. We take several factors into account when setting charges, but the most important is the cost of running the fund. In this context, where possible, any benefits derived from cost efficiency and from our scale (discussed further in the next section) are passed back to investors. This is most clearly evidenced by the decline in charges for our funds since launch, as reflected in the table to the right.

As required by the assessment of value rules, we compared the charges made by Vanguard to the funds for the services provided, with the actual costs incurred in providing those services. We were satisfied that the charges to the fund were reasonable in relation to the underlying costs. We adopt a simple approach to charges paid by investors: for example, we do not charge performance fees and we do not have entry or exit charges. Vanguard pays the cost of the external services out of the OCF.

### How we can improve

Effective management of costs continues to underpin our core purpose. We will continue to monitor all the criteria we rely on for setting charges and will not hesitate to cut fees paid by investors when we find opportunities to pass on reductions in the costs that we incur.

### Conclusion

Based on this assessment, we concluded that the general costs of the funds represent good value to UK investors.

## Decline in charges for Vanguard funds since launch<sup>17</sup>

FUNDS	OCF %	
	AT LAUNCH	SEPTEMBER 2023
<b>Index funds</b>		
FTSE 100 Index Unit Trust	0.12	0.06
FTSE Developed Europe ex-U.K. Equity Index	0.50	0.12
FTSE Developed World ex-U.K. Equity Index	0.30	0.14
FTSE Global All Cap Index Fund	0.24	0.23
FTSE U.K. All Share Index Unit Trust	0.15	0.06
FTSE U.K. Equity Income Index Fund	0.25	0.14
ESG Developed World All Cap Equity Index	0.20	0.20
LifeStrategy Funds	0.29	0.22
U.K. Inflation-Linked Gilt Index Fund	0.15	0.12
Target Retirement Funds	0.24	0.24
U.K. Inflation-Linked Gilt Index Fund	0.15	0.12
U.S. Equity Index Fund	0.20	0.10
<b>Active funds</b>		
Global Emerging Markets Fund	0.80	0.78
Global Equity Fund	0.60	0.48
Global Equity Income Fund	0.60	0.48
Active U.K. Equity Fund	0.45	0.45
Global Sustainable Equity Fund	0.48	0.48
Sterling Short-Term Money Market Fund	0.15	0.12
SustainableLife Equity Funds	0.60 <sup>18</sup>	0.48

<sup>17</sup> Launch dates vary, please see individual funds.

<sup>18</sup> Vanguard SustainableLife 60-70% equity was previously the Vanguard Global Balanced which was launched with an OCF of 60 basis points.

# Economies of scale

## Has Vanguard achieved appropriate economies of scale and have these been passed on to investors?

### What do we mean by good value?

As the business grows, Vanguard should be able to use its increasing size to negotiate good deals with providers of services, such as investor record keeping, fund accounting and investment administration, and to spread the costs across more investors. The resulting economies of scale should mean that, for every £1 invested, the amount paid by investors to receive the services provided goes down as the business grows. Having generated these economies of scale, it is important that they are passed on to investors in the form of fee reductions as the business grows.

### How we measured up

Passing on the benefits of our scale is one of the key ways we seek to improve outcomes for investors. As a subsidiary of Vanguard globally, which had \$8.2 trillion in assets under management as at the end of November 2023, the UK business is able to benefit from substantial global relationships with service providers.

In many instances, the fee scales and structures are negotiated based on our global assets under management and are, therefore, significantly lower than the UK business would be able to negotiate on its own. This benefit is reflected in the lower cost of various services, such as index licensing and custody services. Vanguard pays for these types of expenses out of the OCF received from investors. The benefits generated from economies of scale are effectively passed on to the investor in the form of lower fees, despite our need to invest in the business.

Vanguard regularly assesses and renegotiates third-party contracts and fees. We discuss terms with providers and test whether our costs are in line with what others are paying to confirm that we are receiving value for money. As a result, we have seen a steady reduction in costs which, combined with the economies of scale, have been passed back to investors in fee reductions in 2015, 2018 and 2019. While some of the benefits of our scale are retained for investment in future growth, these fee reductions demonstrate that our investors are also sharing directly in the benefits.

The ultimate test of how we pass on these economies of scale is a low OCF, which is discussed more in the next section.

### How we can improve

While we remain confident that our history of passing on fee reductions to investors allows them to share in the benefits of our scale, we are always looking for opportunities to hand back further savings to investors. We continue to conduct regular exercises to compare our fees with organisations of similar scale and level of activity.

### Conclusion

Based on Vanguard's ability to leverage its global scale in its fee arrangements and a history of passing on the benefits of scale to investors, we calculated that Vanguard offers good value to UK investors in relation to economies of scale.

# Comparable market rates

## Do the charges I pay provide value compared with similar funds in the market?

### What do we mean by good value?

- Investors who pay more for essentially similar services may be disadvantaged if they are not being offered something extra for the additional fees.
- Every £1 charged represents £1 less in returns to the investor. Over the long term, these charges can have a significant impact on returns.
- All things being equal, funds with low ongoing charges offer better value than those with higher fees.

### How we measured up

The only charge that Vanguard makes to investors is the management fee for each fund<sup>19</sup>. No other fees or charges are levied. We have demonstrated a history of regularly cutting our fees to investors since we entered the UK market in 2009.

As discussed in the previous section, we regularly compare our fees with those levied by similar funds offered by other investment managers. When assessing our OCFs, we compared each fund's charge to its relevant Morningstar category, to determine if our OCFs were priced similarly or lower than comparable funds.

We have included all share classes (general and Institutional Plus<sup>20</sup>) to provide a full picture to investors. The ongoing charges for all our funds offer, on average, a 74%<sup>21</sup> discount to their Morningstar category average (73% last year), as shown in the table on the following page.

### How we can improve

We will continue to monitor our fees regularly to ensure that Vanguard maintains its position as one of the lowest-cost, good-value providers in the market.

### Conclusion

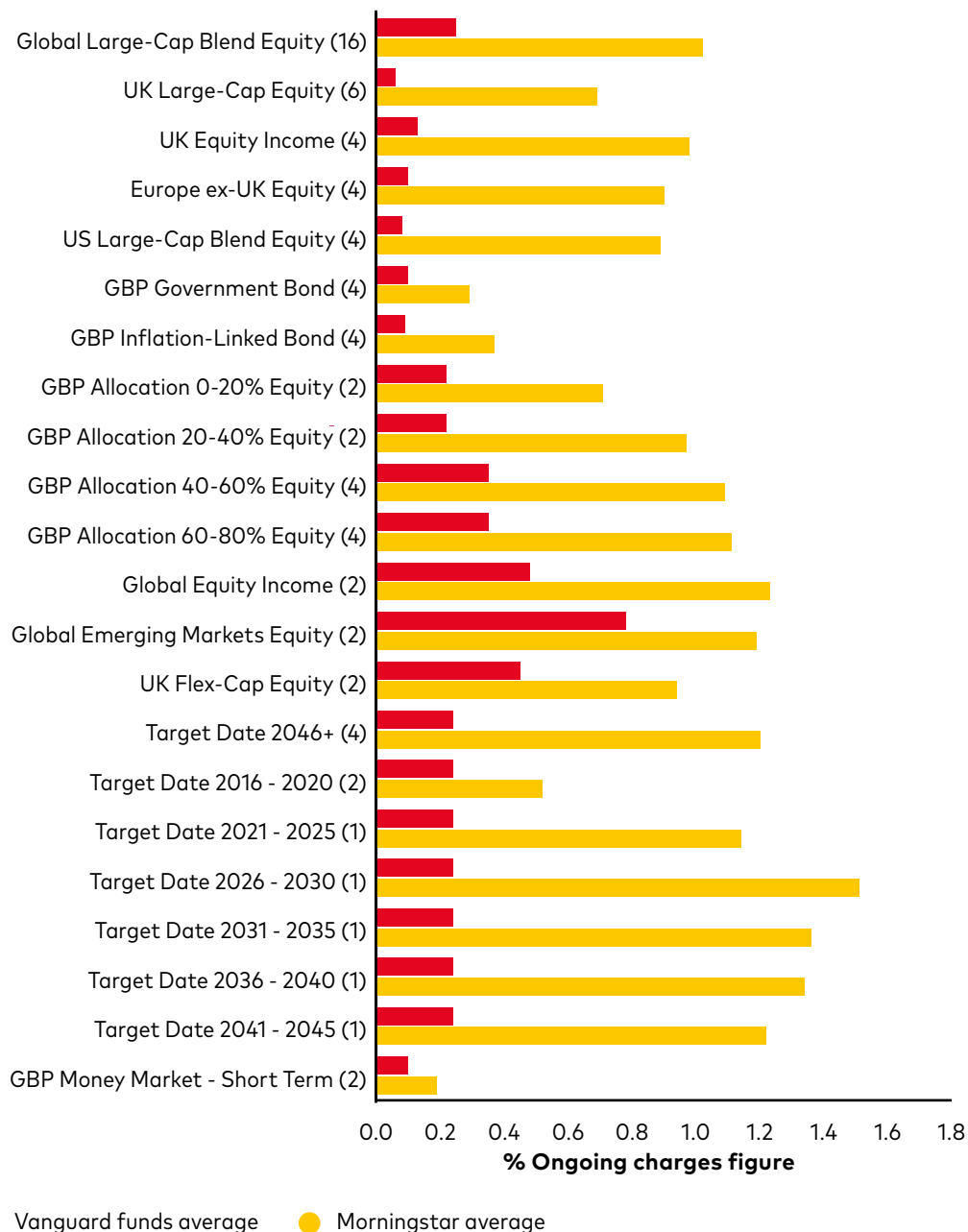
The data demonstrates that Vanguard offers good value in comparison to the market for the charges it makes for its services.

19 Ongoing charges figure (OCF) is the sum of investment management fees (the fees paid to the portfolio manager to invest and manage the fund) and administrative and other expenses (which cover all costs and expenses connected with the operation of the fund, which includes administrative fees, shareholder's registration and transfer agency fees, custody fees and all other operating expenses).

20 Vanguard offers two classes of share: a general share class, aimed at all investors, with common pricing for income-paying and accumulating options, and an Institutional Plus share class, aimed at selected professional and institutional investors, also with common pricing for income-paying and accumulating options.

21 Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. Average sector OCF is sourced from Morningstar. Vanguard discount represents the percentage difference between the OCF for a Vanguard fund versus the average OCF for the sector. Source: Morningstar as at 30 September 2023.

## Average charges to retail investors for Vanguard funds relative to Morningstar category average



Notes: Comparison of average charges (ongoing charges figure or OCF) for Vanguard funds (number of funds in brackets) relative to comparable share class of direct peers in their respective Morningstar category. Morningstar categories include both index and active funds. Source: Morningstar as at 30 November 2023. For a full table, please see the appendix, on page 22.

# Comparable services

## How do the charges I pay compare with those paid by other investors in the same fund?

### What do we mean by good value?

What an investor pays for shares (sometimes called "units") in a fund with a particular investment objective should be comparable to what other similar investors pay for shares in the same fund, or other funds with a similar investment objective.

Investors may pay different charges for investments of different sizes, given that the relative administration costs are higher for small investments than for larger ones. For example, say Vanguard received £1 million of new assets from 1,000 investors each with £1,000, or the same amount as a single investment from one client.

In the first situation, we would need to process 1,000 applications and in the second case, only one. Even though the two scenarios generate the same level of new assets, the cost of processing the second scenario is lower. In setting prices, our guiding principle is that the outcome should be fair to all types of investor, irrespective of the size of their investment.

Similarly, there may be different charges for share classes in funds with different investment objectives. It is more expensive to invest in some markets, like emerging markets or smaller companies, than others. However, the difference in charges should be fair in relation to the cost of investing in those markets.

A simple, competitive and cost-effective range of share classes reduces the likelihood that investors will inadvertently pay too much by being in the wrong share class.

### How we measured up

Vanguard seeks to provide simple, fair and transparent pricing to our investors. There are only two classes of shares for the two broad categories of investor:

- a general share class, aimed at all investors, with common pricing for income-paying and accumulating options;
- an Institutional Plus share class, aimed at selected professional and institutional investors with a minimum of £100 million in share-class level assets, with common pricing for income-paying and accumulating options.

The general share class is intended to serve the needs of a broad base of investors and be available at a single competitive price. General share classes are used consistently for funds on third-party retail investor platforms that offer Vanguard products and on Vanguard's own personal investor platform.

In some cases, our funds have a single share class open to both retail and institutional investors at the same price. However, ten funds managed in the UK also have an Institutional Plus share class. These have a reduced OCF for those larger clients that cost us less to serve. In all cases, when pricing shares for professional clients, a comparison is made with retail share classes to ensure a fair and competitive difference is maintained.

We have a coherent and consistent pricing structure, irrespective of fund domicile (either UK or Ireland) or fund vehicle (either mutual fund (MF) or exchange-traded fund (ETF)). Our UK investors can also access the ETF and Ireland-domiciled fund line-up, which means that end investors have access to up to 100 Vanguard funds, all of which offer low fees.

### How we can improve

We remain alert to the needs of both retail and institutional investors and will continue to assess whether those needs are best served by the current range of share classes.

### Conclusion

Based on Vanguard's straightforward share-class and pricing structures and the governance around institutional pricing, as outlined above, our conclusion is that we provide good value in terms of the charges paid for different classes of shares.

# Classes of shares

## Is it appropriate for share or unit holders to hold classes subject to higher charges?

### What do we mean by good value?

The UK investment industry had a legacy of share classes with higher fees, largely relating to share classes that existed before the changes instituted by the Retail Distribution Review (RDR)<sup>22</sup> in 2012. A goal of the FCA's assessment of value exercise was to encourage the industry to move investors holding these expensive share classes to cheaper options, and there has already been considerable progress in this area across the industry.

Vanguard has no legacy share classes with higher fees and we believe providing value under this heading means:

- The investor is in the most suitable share class, given their investment objective.
- There is no other share class with the same rights but lower charges.

### How we measured up

As discussed in the previous section, the only share classes we provide are general shares for retail investors and Institutional Plus shares for professional investors with large sums to invest. Vanguard has never paid commissions and there are, therefore, no share classes priced to reflect commissions paid to intermediaries before the introduction of the RDR. As a result, the suggested tests to gauge whether investors are being overcharged in pre-RDR funds do not apply.

### How we can improve

As discussed in the last section, we regularly review our range of share classes to ensure they continue to fit the needs of our various investors.

### Conclusion

Given our simple share structure and policy of never paying commission, we believe we continue to provide good value in terms of the classes of shares we provide.

<sup>22</sup> The Retail Distribution Review introduced new rules to make financial products more transparent and financial advice subject to fewer conflicts of interest, including banning commission paid to advisers for the sale of particular products.

# Quality of service

## Have the range and quality of the services I have received represented good value?

### What does good value mean?

Quality of service in managing client investments depends on a very wide range of factors:

- An investor should be clear about what they are buying and what they are paying for. Effective, good-quality communications and, in particular, the range of documents that accompany financial products are therefore crucial to the service provided.
- The quality of the manager's global structures and systems are also vital to ensuring a high quality of service, including the processes used to manage the fund's investments.
- Good service also depends on the quality of the practical infrastructure of the funds, such as the regular reports to clients and how outside service providers deal with record keeping, accounting and other services.

### How we measured up

When assessing the quality of service provided by the UK funds, the following activities were considered:

- **Communications.** Effective and good-quality communication with investors and the documentation that accompanies financial products are crucial to the service provided. We have considered documents created for investors in the UK-domiciled funds and those published by third parties on our behalf.
- **Services provided to investors.** The report considers the services experienced directly by investors, including both direct services and outsourced services such as transfer agency and fund accounting. The quality of outsourced services is continually monitored.
- **Oversight of distributors.** Vanguard distributes funds directly to professional clients as well as to professional third parties, such as investment platforms. We assessed the value of the service that Vanguard provides to these clients and also how we oversee the relationships with third parties

who distribute our funds (excluding Vanguard's UK Personal Investor platform). We noted no complaints or breaches related to the oversight of distributors in the assessment period.

- Although the UK Personal Investor platform is not in scope for the assessment of value review, we feel it is important to consider the experience of our personal investor clients as part of our review. Their perception of the value received from Vanguard will be based on the quality of service and pricing of the platform, as well as the value provided by the underlying funds.
- The quality of the overall experience we provide has been recognised by consumer champion Which?, who has named us a 'Which? Recommended Provider for Investment Platforms' five years running. We came third on the Which? table for value for money and achieved the second-highest overall customer score. In addition, we have been named a 'Which? Recommended Provider for Self-Invested Personal Pensions (SIPPs)' for the fourth year in a row.
- **Other services.** Investors in Vanguard's UK-domiciled funds also benefit from being part of the Vanguard Group:
  - **Global investment infrastructure.** Investors benefit from the Vanguard Group's infrastructure, well-resourced teams and depth of experience at a price that offers significant value. We conduct high-quality portfolio management for the UK funds: internally for index funds and externally for active funds.

The UK-domiciled funds that are managed internally are supported by the global Investment Management Group (IMG). IMG comprises 408 team members and has investment operations in the UK, the US and Australia. This allows 24-hour access to markets and offers significant breadth and depth of expertise.

For funds managed externally, Vanguard's 23-person Oversight and Manager Search (O&MS) team operates a global oversight framework considering the following factors: firm, people, philosophy and process, portfolio and short- and long-term performance.



The UK-domiciled funds include two environmental, social and governance (ESG) offerings – the internally managed ESG Developed World All-Cap Equity Fund (an index fund) and the Global Sustainable Equity and SustainableLife range of funds (all active funds) – which are managed on Vanguard’s behalf by Wellington Management Company.

- **Securities lending.** The UK funds have access to Vanguard’s global securities lending programme that generates value for the funds in the form of additional revenues. The revenue generated is passed on to investors in full after a deduction for the cost of running the programme.
- **Support of intermediaries and end investors.** Vanguard continues to offer advisers clear marketing materials to allow them to best support their investors and to help give them the best chance of investment success during challenging market conditions.
- **Investment stewardship.** Vanguard’s UK funds, where managed internally, benefit from Vanguard’s global investment stewardship programme. The programme aims to safeguard and promote long-term investment returns at companies in which the funds invest. It is framed around four principles of good governance: board composition and effectiveness, oversight of strategy and risk, executive compensation (remuneration) and shareholder rights. It represents fund shareholders’ long-term interests through industry advocacy, company engagement and proxy voting.

**A dedicated global team of experienced governance professionals employs a regionally focused model** to develop in-depth knowledge on pertinent issues across our funds’ portfolios. During the 2023 proxy year (1 July 2022 – 30 June 2023), the team engaged with 1,320 companies from Vanguard’s UK fund range, representing \$40 billion in equity assets under management. The team voted our funds’ proxies on over 117,499 proposals at more than 9,700 companies.

Vanguard is a signatory to the UK Stewardship Code 2020.

- **Employees.** Finally, the continuous education and training that Vanguard provides its employees is essential to the service provided to our clients.

Each month, Vanguard measures employee satisfaction with a rolling sample of team members. The survey measures this through three lenses: company, team and role. We also carry out a team health survey twice a year, focusing on individual teams, assessing factors including team norms, team dynamics and leader effectiveness. The survey is designed to enable action planning at an individual team level. Our focus on the development and growth of employees has contributed to Vanguard’s strong and inclusive culture.

### How we can improve

We constantly monitor both the services we provide and those provided by third parties. Where we have not met our own high standards or those we expect of others, we will strengthen processes and work with our suppliers to improve the quality of service received by investors.

### Conclusion

Investors in our UK funds benefit significantly from Vanguard’s global infrastructure, well-resourced teams and high-quality investment processes. As previously noted, investors access these global resources at very competitive prices. As a result, we concluded that Vanguard has provided good value in terms of quality of service.

# Overall conclusion

This is Vanguard's fifth consecutive assessment of value report, and once again we conclude that we have provided good value to investors.

The report looks beyond the performance and cost of our investment funds to put them into the context of the overall value they provide. We have carefully reconsidered each of the Financial Conduct Authority's assessment criteria including performance, costs, economies of scale, comparable market rates and services and quality of service.

This assessment of value report aligns with Vanguard's core purpose, which is "to take a stand for all investors, to treat them fairly and to give them the best chance for investment success". We emphasise the values of integrity, focus and stewardship, and our investment philosophy is based on the four principles of goals, balance, cost and discipline.

# Appendix

## Performance of UK-domiciled funds relative to peer group

	01/10/2022 30/09/2023 1 YEAR			01/10/2020 30/09/2023 3 YEARS			01/10/2018 30/09/2023 5 YEARS			01/10/2013 30/09/2023 10 YEARS		
	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %
Morningstar category <sup>23</sup> /Vanguard fund												
<b>Index funds</b>												
<b>EAA Fund UK Equity Income</b>												
Vanguard FTSE U.K. Equity Income Index Fund GBP Inc	13.70	14.00	13.34	14.30	14.79	10.56	3.44	3.74	2.21	4.43	4.70	4.74
Vanguard FTSE U.K. Equity Income Index Fund GBP Acc	13.71	14.00	13.34	14.30	14.79	10.56	3.47	3.74	2.21	4.45	4.70	4.74
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Inc	13.72	14.00	13.34	14.32	14.79	10.56	3.48	3.74	2.21	--	--	--
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Acc	13.74	14.00	13.34	14.33	14.79	10.56	3.51	3.74	2.21	--	--	--
<b>EAA Fund UK Large-Cap Equity</b>												
Vanguard FTSE 100 Index Unit Trust GBP Acc	14.51	14.62	14.46	13.07	13.16	10.79	4.19	4.14	3.25	--	--	--
Vanguard FTSE 100 Index Unit Trust GBP Inc	14.50	14.62	14.46	13.07	13.16	10.79	4.18	4.14	3.25	--	--	--
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	13.78	13.84	14.46	11.58	11.81	10.79	3.49	3.66	3.25	5.45	5.56	5.27
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Inc	13.76	13.84	14.46	11.58	11.81	10.79	3.48	3.66	3.25	--	--	--
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Acc	13.78	13.84	14.46	11.59	11.81	10.79	3.50	3.66	3.25	--	--	--
Vanguard FTSE U.K. All Share Index Unit Trust GBP Inc	13.76	13.84	14.46	11.57	11.81	10.79	3.47	3.66	3.25	--	--	--
<b>EAA Fund US Large-Cap Blend Equity</b>												
Vanguard U.S. Equity Index Fund GBP Inc	9.85	9.93	8.99	11.05	11.13	10.48	10.11	10.19	9.48	13.98	14.08	12.86
Vanguard U.S. Equity Index Fund GBP Acc	9.85	9.93	8.99	11.05	11.13	10.48	10.11	10.19	9.48	13.98	14.08	12.86
Vanguard U.S. Equity Index Fund Institutional Plus GBP Inc	9.90	9.93	8.99	11.10	11.13	10.48	10.15	10.19	9.48	--	--	--
Vanguard U.S. Equity Index Fund Institutional Plus GBP Acc	9.90	9.93	8.99	11.10	11.13	10.48	10.15	10.19	9.48	--	--	--
<b>EAA Fund Europe ex-UK Equity</b>												
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Inc	19.43	19.51	18.23	7.93	8.04	7.09	5.85	6.01	5.21	7.72	7.83	7.60
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	19.43	19.51	18.23	7.93	8.04	7.09	5.85	6.01	5.21	7.72	7.83	7.60
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Inc	19.48	19.51	18.23	7.97	8.04	7.09	5.89	6.01	5.21	--	--	--
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Acc	19.48	19.51	18.23	7.97	8.04	7.09	5.89	6.01	5.21	--	--	--

**Past performance is not a reliable indicator of future results.** All returns shown are net of fees. All transaction costs are included within the Net Asset Value (NAV) of the fund.

23 Source: VIFI/IPIC/Morningstar. Peer group is defined as the Morningstar category, including UK, Luxembourg and Irish domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2022.

	01/10/2022 30/09/2023 1 YEAR			01/10/2020 30/09/2023 3 YEARS			01/10/2018 30/09/2023 5 YEARS			01/10/2013 30/09/2023 10 YEARS		
	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %
Morningstar category <sup>23</sup> /Vanguard fund												
<b>Index funds</b>												
<b>EAA Fund Global Large-Cap Blend Equity</b>												
Vanguard FTSE Global All Cap Index Fund GBP Acc	9.96	10.26	9.08	8.87	9.20	7.38	7.46	7.81	6.20	--	--	--
Vanguard FTSE Global All Cap Index Fund GBP Inc	9.97	10.26	9.08	8.87	9.20	7.38	7.45	7.81	6.20	--	--	--
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Inc	11.70	11.79	9.08	9.90	10.02	7.38	8.83	8.96	6.20	11.79	11.94	8.82
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Acc	11.70	11.79	9.08	9.90	10.02	7.38	8.83	8.96	6.20	11.79	11.94	8.82
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Inc	11.76	11.79	9.08	9.97	10.02	7.38	8.89	8.96	6.20	--	--	--
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Acc	11.76	11.79	9.08	9.96	10.02	7.38	8.89	8.96	6.20	--	--	--
Vanguard LifeStrategy 100 % Equity Fund Income Shares	11.31	--	9.08	9.52	--	7.38	6.79	--	6.20	9.60	--	8.82
Vanguard LifeStrategy 100 % Equity Fund Accumulation Shares	11.31	--	9.08	9.52	--	7.38	6.79	--	6.20	9.60	--	8.82
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Acc	10.95	11.15	9.08	8.24	8.42	7.38	--	--	--	--	--	--
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Inc	10.95	11.15	9.08	8.24	8.42	7.38	--	--	--	--	--	--
Vanguard ESG Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Inc	11.03	11.15	9.08	8.31	8.42	7.38	--	--	--	--	--	--
<b>EAA Fund GBP Government Bond</b>												
Vanguard U.K. Long Duration Gilt Index Fund GBP Inc	-12.95	-12.88	-2.26	-20.78	-20.72	-10.90	-8.41	-8.32	-4.15	-0.62	-0.35	-0.18
Vanguard U.K. Long Duration Gilt Index Fund GBP Acc	-12.96	-12.88	-2.26	-20.79	-20.72	-10.90	-8.41	-8.32	-4.15	-0.61	-0.35	-0.18
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Inc	-13.04	-12.88	-2.26	-20.79	-20.72	-10.90	-8.40	-8.32	-4.15	--	--	--
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Acc	-12.92	-12.88	-2.26	-20.75	-20.72	-10.90	-8.37	-8.32	-4.15	--	--	--
<b>EAA Fund GBP Inflation-Linked Bond</b>												
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Inc	-13.60	-13.53	-9.06	-14.18	-14.10	-13.61	-5.55	-5.42	-5.28	0.88	1.00	0.82
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Acc	-13.60	-13.53	-9.06	-14.18	-14.10	-13.61	-5.55	-5.42	-5.28	0.88	1.00	0.82
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Inc	-13.55	-13.53	-9.06	-14.13	-14.10	-13.61	-5.49	-5.42	-5.28	--	--	--
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Acc	-13.55	-13.53	-9.06	-14.13	-14.10	-13.61	-5.49	-5.42	-5.28	--	--	--

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23 Source: VIFI/IPIC/Morningstar. Peer group is defined as the Morningstar category, including UK, Luxembourg and Irish domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2022.

	01/10/2022 30/09/2023 1 YEAR			01/10/2020 30/09/2023 3 YEARS			01/10/2018 30/09/2023 5 YEARS			01/10/2013 30/09/2023 10 YEARS		
	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %
Morningstar category <sup>23</sup> /Vanguard fund												
<b>Multi-asset fund of funds</b>												
<b>EAA Fund GBP Allocation 0-20% Equity</b>												
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Income Shares	1.57	--	3.15	-4.01	--	-1.67	0.06	--	0.05	2.55	--	2.03
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Accumulation Shares	1.57	--	3.15	-4.01	--	-1.67	0.06	--	0.05	2.56	--	2.03
<b>EAA Fund GBP Allocation 20-40% Equity</b>												
Vanguard LifeStrategy 40 % Equity Fund Income Shares	3.67	--	2.99	-0.93	--	-0.77	1.65	--	0.42	4.28	--	2.22
Vanguard LifeStrategy 40 % Equity Fund Accumulation Shares	3.67	--	2.99	-0.93	--	-0.77	1.65	--	0.42	4.28	--	2.22
<b>EAA Fund GBP Allocation 40-60% Equity</b>												
Vanguard LifeStrategy 60 % Equity Fund Income Shares	6.22	--	4.60	2.45	--	1.43	3.37	--	1.48	6.07	--	3.46
Vanguard LifeStrategy 60 % Equity Fund Accumulation Shares	6.22	--	4.60	2.45	--	1.43	3.37	--	1.48	6.07	--	3.46
<b>EAA Fund GBP Allocation 60-80% Equity</b>												
Vanguard LifeStrategy 80 % Equity Fund Income Shares	8.72	--	5.54	5.93	--	3.40	5.08	--	2.74	7.83	--	5.00
Vanguard LifeStrategy 80 % Equity Fund Accumulation Shares	8.72	--	5.54	5.93	--	3.40	5.08	--	2.74	7.84	--	5.00
<b>EAA Fund Target Date 2016 - 2020</b>												
Vanguard Target Retirement 2015 Fund Accumulation Shares	4.68	--	1.65	0.71	--	0.01	2.21	--	1.13	--	--	--
Vanguard Target Retirement 2020 Fund Accumulation Shares	5.62	--	1.65	1.90	--	0.01	2.95	--	1.13	--	--	--
<b>EAA Fund Target Date 2021 - 2025</b>												
Vanguard Target Retirement 2025 Fund Accumulation Shares	6.43	--	0.68	2.61	--	-0.99	3.41	--	0.69	--	--	--
<b>EAA Fund Target Date 2026 - 2030</b>												
Vanguard Target Retirement 2030 Fund Accumulation Shares	7.00	--	0.88	3.27	--	0.14	3.72	--	1.10	--	--	--
<b>EAA Fund Target Date 2031 - 2035</b>												
Vanguard Target Retirement 2035 Fund Accumulation Shares	7.58	--	4.53	4.12	--	3.35	4.15	--	3.16	--	--	--
<b>EAA Fund Target Date 2036 - 2040</b>												
Vanguard Target Retirement 2040 Fund Accumulation Shares	8.17	--	6.53	4.99	--	5.18	4.57	--	3.75	--	--	--
<b>EAA Fund Target Date 2041 - 2045</b>												
Vanguard Target Retirement 2045 Fund Accumulation Shares	8.71	--	7.97	5.82	--	5.85	5.01	--	4.38	--	--	--
<b>EAA Fund Target Date 2046+</b>												
Vanguard Target Retirement 2060 Fund Accumulation Shares	9.02	--	8.72	6.07	--	6.13	5.16	--	4.82	--	--	--
Vanguard Target Retirement 2065 Fund Accumulation Shares	8.99	--	8.72	6.04	--	6.13	5.16	--	4.82	--	--	--
Vanguard Target Retirement 2050 Fund Accumulation Shares	9.01	--	8.72	6.04	--	6.13	5.15	--	4.82	--	--	--
Vanguard Target Retirement 2055 Fund Accumulation Shares	9.00	--	8.72	6.04	--	6.13	5.15	--	4.82	--	--	--

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Morningstar category <sup>23</sup> / Vanguard fund	01/10/2022 30/09/2023 1 YEAR				01/10/2020 30/09/2023 3 YEARS				01/10/2018 30/09/2023 5 YEARS				SINCE INCEPTION		
	Return (annualised) %	Benchmark return (annualised) %	Net excess return %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Net excess return %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Net excess return %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Net excess return %
<b>Active funds</b>															
<b>EAA Fund Global Large-Cap Blend Equity</b>															
Vanguard Global Sustainable Equity Fund GBP Inc	11.61	10.83	0.79	9.08	--	--	--	--	--	--	--	--	2.40	-0.56	2.96
Vanguard Global Sustainable Equity Fund GBP Acc	11.61	10.83	0.79	9.08	--	--	--	--	--	--	--	--	2.40	-0.56	2.96
<b>EEA Fund GBP Allocation 80%+ Equity</b>															
Vanguard SustainableLife 80-90% Equity Fund A GBP Inc	11.27	10.63	0.64	6.29	--	--	--	--	--	--	--	--	3.55	-1.16	4.71
Vanguard SustainableLife 80-90% Equity Fund A GBP Acc	11.23	10.63	0.60	6.29	--	--	--	--	--	--	--	--	3.53	-1.16	4.69
<b>EAA Fund GBP Allocation 60-80% Equity</b>															
Vanguard SustainableLife 60-70% Equity Fund GBP Inc	8.88	8.61	0.28	5.54	6.95	4.80	2.15	3.40	5.82	5.62	0.19	2.74	7.93	8.11	-0.18
Vanguard SustainableLife 60-70% Equity Fund GBP Acc	8.88	8.61	0.27	5.54	6.95	4.80	2.15	3.40	5.82	5.62	0.19	2.74	7.93	8.11	-0.18
<b>EAA Fund GBP Allocation 40-60% Equity</b>															
Vanguard SustainableLife 40-50% Equity Fund GBP Inc	6.77	6.88	-0.11	4.60	--	--	--	--	--	--	--	--	-2.07	-4.35	2.28
Vanguard SustainableLife 40-50% Equity Fund GBP Acc	6.78	6.88	-0.10	4.60	--	--	--	--	--	--	--	--	-2.08	-4.35	2.28
<b>EAA Fund Global Emerging Markets Equity</b>															
Vanguard Global Emerging Markets GBP Income Shares	8.38	1.30	7.08	3.13	5.34	1.69	3.65	0.41	4.39	3.24	1.14	1.92	10.29	8.28	2.01
Vanguard Global Emerging Markets GBP Accumulation Shares	8.43	1.30	7.14	3.13	5.36	1.69	3.67	0.41	4.41	3.24	1.17	1.92	10.31	8.28	2.03
<b>EAA Fund Global Large-Cap Blend Equity</b>															
Vanguard Global Equity GBP Income Shares	8.18	10.83	-2.64	9.08	6.80	9.25	-2.45	7.38	7.71	8.12	-0.41	6.20	11.81	11.97	-0.16
Vanguard Global Equity GBP Accumulation Shares	8.19	10.83	-2.64	9.08	6.81	9.25	-2.45	7.38	7.72	8.12	-0.41	6.20	11.81	11.97	-0.16
<b>EAA Fund Global Equity Income</b>															
Vanguard Global Equity Income GBP Income Shares	9.58	11.97	-2.39	8.08	13.70	10.18	3.51	9.33	6.60	8.73	-2.13	5.86	10.08	12.44	-2.36
Vanguard Global Equity Income GBP Accumulation Shares	9.58	11.97	-2.39	8.08	13.70	10.18	3.51	9.33	6.60	8.73	-2.13	5.86	10.08	12.44	-2.36
<b>EAA Fund UK Flex-Cap Equity</b>															
Vanguard Active U.K. Equity Fund GBP Income Shares	12.94	13.84	-0.90	13.59	1.63	11.81	-10.18	--	--	--	--	--	0.59	4.42	-3.83
Vanguard Active U.K. Equity Fund GBP Accumulation Shares	12.95	13.84	-0.89	13.59	1.64	11.81	-10.17	--	--	--	--	--	0.60	4.42	-3.82
<b>EAA Fund GBP Money Market – Short Term</b>															
Vanguard Sterling Short-Term Money Market Fund Institutional Plus GBP Accumulation Shares	3.99	4.05	-0.07	3.51	1.50	1.59	-0.09	--	--	--	--	--	1.19	1.21	-0.02
Vanguard Sterling Short-Term Money Market Fund Investor GBP Income Shares	3.93	4.05	-0.12	3.51	1.47	1.59	-0.12	--	--	--	--	--	1.18	1.21	-0.03

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23 Source: VIFI/IPIC/Morningstar. Peer group is defined as the Morningstar category, including UK, Luxembourg and Irish domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2022.

## Average charges for Vanguard funds relative to Morningstar category average

Morningstar category <sup>23</sup> /Vanguard fund	VANGUARD ONGOING CHARGE FIGURE (OCF) % <sup>24</sup>	AVERAGE SECTOR ONGOING CHARGE FIGURE (OCF) % <sup>25</sup>	VANGUARD DISCOUNT % <sup>26</sup>
<b>Europe ex-UK Equity</b>			
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	0.12	0.89	87
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Inc	0.12	0.89	87
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Acc	0.08	0.89	91
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Inc	0.08	0.89	91
<b>GBP Cautious Allocation</b>			
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Accumulation Shares	0.22	0.69	68
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Income Shares	0.22	0.69	68
<b>GBP Government Bond</b>			
Vanguard U.K. Long Duration Gilt Index Fund GBP Acc	0.12	0.29	58
Vanguard U.K. Long Duration Gilt Index Fund GBP Inc	0.12	0.29	58
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Acc	0.08	0.29	72
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Inc	0.08	0.29	72
<b>GBP Inflation-Linked Bond</b>			
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Acc	0.12	0.39	69
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Inc	0.12	0.39	69
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Acc	0.06	0.39	85
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Inc	0.06	0.39	85
<b>GBP Moderate Allocation</b>			
Vanguard LifeStrategy 60 % Equity Fund Accumulation Shares	0.22	1.07	79
Vanguard LifeStrategy 60 % Equity Fund Income Shares	0.22	1.07	79
Vanguard SustainableLife 40-50% Equity Fund Accumulation Shares	0.48	1.07	55
Vanguard SustainableLife 40-50% Equity Fund Income Shares	0.48	10.7	55
<b>GBP Moderately Adventurous Allocation</b>			
Vanguard LifeStrategy 80 % Equity Fund Accumulation Shares	0.22	1.10	80
Vanguard LifeStrategy 80 % Equity Fund Income Shares	0.22	1.10	80
Vanguard SustainableLife 60-70% Equity Fund Accumulation Shares	0.48	1.10	56
Vanguard SustainableLife 60-70% Equity Fund Income Shares	0.48	1.10	56
<b>GBP Moderately Cautious Allocation</b>			
Vanguard LifeStrategy 40 % Equity Fund Accumulation Shares	0.22	0.96	77
Vanguard LifeStrategy 40 % Equity Fund Income Shares	0.22	0.96	77
<b>GBP Money Market - Short Term</b>			
Vanguard Sterling Short-Term Money Market Fund Institutional Plus GBP Accumulation Shares	0.08	0.19	59
Vanguard Sterling Short-Term Money Market Fund Investor GBP Income Shares	0.12	0.19	38
<b>Global Emerging Markets Equity</b>			
Vanguard Global Emerging Markets GBP Accumulation Shares	0.78	1.18	34
Vanguard Global Emerging Markets GBP Income Shares	0.78	1.18	34
<b>Global Equity Income</b>			
Vanguard Global Equity Income GBP Accumulation Shares	0.48	1.22	61
Vanguard Global Equity Income GBP Income Shares	0.48	1.22	61

<sup>23</sup> Source: Vanguard/Morningstar. Peer group is defined as the Morningstar category, including UK, Luxembourg and Irish domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2022.

<sup>24</sup> Vanguard data shows the OCF effective as of the date of this report, September 2023.

<sup>25</sup> Average sector OCF is sourced from Morningstar with published fees as of October 2023.

<sup>26</sup> Vanguard discount represents the percentage difference between the OCF for a Vanguard fund versus the average OCF for the sector.

Morningstar category <sup>23</sup> /Vanguard fund	VANGUARD ONGOING CHARGE FIGURE (OCF) % <sup>24</sup>	AVERAGE SECTOR ONGOING CHARGE FIGURE (OCF) % <sup>25</sup>	VANGUARD DISCOUNT % <sup>26</sup>
<b>Global Large-Cap Blend Equity</b>			
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Acc	0.20	1.01	80
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Inc	0.20	1.01	80
Vanguard ESG Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Inc	0.13	1.01	87
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Acc	0.14	1.01	86
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Inc	0.14	1.01	86
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Acc	0.08	1.01	92
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Inc	0.08	1.01	92
Vanguard FTSE Global All Cap Index Fund GBP Acc	0.23	1.01	77
Vanguard FTSE Global All Cap Index Fund GBP Inc	0.23	1.01	77
Vanguard Global Equity GBP Accumulation Shares	0.48	1.01	53
Vanguard Global Equity GBP Income Shares	0.48	1.01	53
Vanguard LifeStrategy 100 % Equity Fund Accumulation Shares	0.22	1.01	78
Vanguard LifeStrategy 100 % Equity Fund Income Shares	0.22	1.01	78
Vanguard Global Sustainable Equity Fund	0.48	1.01	53
Vanguard SustainableLife 80-90% Equity Fund Accumulation Shares	0.48	1.07	55
Vanguard SustainableLife 80-90% Equity Fund Income Shares	0.48	1.07	55
<b>Target Date 2016 - 2020</b>			
Vanguard Target Retirement 2015 Fund Accumulation Shares	0.24	0.52	54
Vanguard Target Retirement 2020 Fund Accumulation Shares	0.24	0.52	54
<b>Target Date 2021 - 2025</b>			
Vanguard Target Retirement 2025 Fund Accumulation Shares	0.24	1.04	77
<b>Target Date 2026 - 2030</b>			
Vanguard Target Retirement 2030 Fund Accumulation Shares	0.24	1.47	84
<b>Target Date 2031 - 2035</b>			
Vanguard Target Retirement 2035 Fund Accumulation Shares	0.24	1.34	82
<b>Target Date 2036 - 2040</b>			
Vanguard Target Retirement 2040 Fund Accumulation Shares	0.24	1.33	82
<b>Target Date 2041 - 2045</b>			
Vanguard Target Retirement 2045 Fund Accumulation Shares	0.24	1.21	80
<b>Target Date 2046+</b>			
Vanguard Target Retirement 2050 Fund Accumulation Shares	0.24	1.19	80
<b>Target Date 2046+</b>			
Vanguard Target Retirement 2055 Fund Accumulation Shares	0.24	1.19	80
Vanguard Target Retirement 2060 Fund Accumulation Shares	0.24	1.19	80
Vanguard Target Retirement 2065 Fund Accumulation Shares	0.24	1.19	80
<b>UK Equity Income</b>			
Vanguard FTSE U.K. Equity Income Index Fund GBP Acc	0.14	0.95	85
Vanguard FTSE U.K. Equity Income Index Fund GBP Inc	0.14	0.95	85
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Acc	0.12	0.95	87
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Inc	0.12	0.95	87

23 Source: Vanguard/Morningstar. Peer group is defined as the Morningstar category, including UK, Luxembourg and Irish domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2022.

24 Vanguard data shows the OCF effective as of the date of this report, September 2023.

25 Average sector OCF is sourced from Morningstar with published fees as of October 2023.

26 Vanguard discount represents the percentage difference between the OCF for a Vanguard fund versus the average OCF for the sector.



Morningstar category <sup>23</sup> /Vanguard fund	VANGUARD ONGOING CHARGE FIGURE (OCF) % <sup>24</sup>	AVERAGE SECTOR ONGOING CHARGE FIGURE (OCF) % <sup>25</sup>	VANGUARD DISCOUNT % <sup>26</sup>
<b>UK Flex-Cap Equity</b>			
Vanguard Active U.K. Equity Fund GBP Accumulation Shares	0.45	0.92	51
Vanguard Active U.K. Equity Fund GBP Income Shares	0.45	0.92	51
<b>UK Large-Cap Equity</b>			
Vanguard FTSE 100 Index Unit Trust GBP Acc	0.06	0.67	91
Vanguard FTSE 100 Index Unit Trust GBP Inc	0.06	0.67	91
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	0.06	0.67	91
Vanguard FTSE U.K. All Share Index Unit Trust GBP Inc	0.06	0.67	91
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Acc	0.05	0.67	92
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Inc	0.05	0.67	92
<b>US Large-Cap Blend Equity</b>			
Vanguard U.S. Equity Index Fund GBP Acc	0.10	0.88	89
Vanguard U.S. Equity Index Fund GBP Inc	0.10	0.88	89
Vanguard U.S. Equity Index Fund Institutional Plus GBP Acc	0.06	0.88	93
Vanguard U.S. Equity Index Fund Institutional Plus GBP Inc	0.06	0.88	93
<b>Average</b>			<b>74</b>

23 Source: Vanguard/Morningstar. Peer group is defined as the Morningstar category, including UK, Luxembourg and Irish domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2022.

24 Vanguard data shows the OCF effective as of the date of this report, September 2023.

25 Average sector OCF is sourced from Morningstar with published fees as of October 2023.

26 Vanguard discount represents the percentage difference between the OCF for a Vanguard fund versus the average OCF for the sector.

## Five year rolling performance of UK-domiciled funds

	1 OCT 2018 - 30 SEP 2019	1 OCT 2019 - 30 SEP 2020	1 OCT 2020 - 30 SEP 2021	1 OCT 2021 - 30 SEP 2022	1 OCT 2022 - 30 SEP 2023
<b>Vanguard FTSE 100 Index Unit Trust</b>					
Vanguard FTSE 100 Index Unit Trust GBP Acc	-2.09%	-14.00%	30.59%	-16.52%	25.20%
Vanguard FTSE 100 Index Unit Trust GBP Inc	-2.11	-14.02	30.59	-16.53	25.20
<b>Vanguard FTSE U.K. All Share Index Unit Trust</b>					
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	-3.06	-12.63	33.30	-20.90	24.40
Vanguard FTSE U.K. All Share Index Unit Trust GBP Inc	-3.07	-12.65	33.28	-20.90	24.38
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Acc	-3.03	-12.62	33.31	-20.90	24.41
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Inc	-3.05	-12.64	33.29	-20.90	24.39
<b>Vanguard® Investments Funds ICVC</b>					
Vanguard Active U.K. Equity Fund GBP Accumulation Shares	--	--	20.79	-33.55	23.50
Vanguard Active U.K. Equity Fund GBP Income Shares	--	--	20.78	-33.55	23.49
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Acc	--	--	28.99	-23.48	21.31
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Inc	--	--	29.00	-23.49	21.31
Vanguard ESG Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Acc	--	--	--	-23.44	21.39
Vanguard ESG Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Inc	--	--	29.07	-23.43	21.39
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	-0.38	5.19	26.59	-28.20	30.59
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Inc	-0.38	5.19	26.59	-28.20	30.59
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Acc	-0.35	5.23	26.64	-28.18	30.64
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Inc	-0.35	5.24	26.64	-28.18	30.64
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Acc	1.73	12.07	28.54	-20.16	22.13
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Inc	1.74	12.07	28.54	-20.17	22.13
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Acc	1.79	12.13	28.61	-20.12	22.19
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Inc	1.79	12.13	28.61	-20.12	22.20
Vanguard FTSE Global All Cap Index Fund GBP Acc	0.50	9.51	28.38	-21.06	20.23
Vanguard FTSE Global All Cap Index Fund GBP Inc	0.51	9.50	28.36	-21.06	20.23
Vanguard FTSE U.K. Equity Income Index Fund GBP Acc	-4.91	-17.21	32.85	-14.64	24.33
Vanguard FTSE U.K. Equity Income Index Fund GBP Inc	-4.94	-17.22	32.86	-14.65	24.31
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Acc	-4.82	-17.19	32.90	-14.63	24.36
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Inc	-4.85	-17.20	32.89	-14.63	24.34
Vanguard Global Emerging Markets GBP Accumulation Shares	1.11	4.02	28.01	-27.25	18.56
Vanguard Global Emerging Markets GBP Income Shares	1.12	3.96	28.01	-27.25	18.50
Vanguard Global Equity GBP Accumulation Shares	-2.69	-4.58	29.55	-10.60	19.82
Vanguard Global Equity GBP Income Shares	-2.69	-4.00	29.60	-10.61	19.81
Vanguard Global Equity Income GBP Accumulation Shares	-2.69	-4.58	29.55	-10.60	19.82
Vanguard Global Equity Income GBP Income Shares	-2.69	-4.00	29.60	-10.61	19.81
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Acc	12.32	4.97	4.68	-39.66	-5.53
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Inc	12.32	4.97	4.68	-39.66	-5.53
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Acc	12.42	5.00	4.75	-39.62	-5.48
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Inc	12.42	5.04	4.74	-39.62	-5.48
Vanguard U.K. Long Duration Gilt Index Fund GBP Acc	16.29	10.54	-7.42	-46.74	-4.83
Vanguard U.K. Long Duration Gilt Index Fund GBP Inc	16.29	10.89	-7.41	-46.73	-4.82

**Past performance is not a reliable indicator of future results.** All returns shown are net of fees. All transaction costs are included within the Net Asset Value (NAV) of the fund.

	1 OCT 2018 - 30 SEP 2019	1 OCT 2019 - 30 SEP 2020	1 OCT 2020 - 30 SEP 2021	1 OCT 2021 - 30 SEP 2022	1 OCT 2022 - 30 SEP 2023
<b>Vanguard® Investments Funds ICVC (continued)</b>					
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Acc	16.35%	10.58%	-7.38%	-46.72%	-4.79%
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Inc	16.35	10.58	-7.38	-46.72	-4.92
Vanguard U.S. Equity Index Fund GBP Acc	2.45	14.36	31.74	-18.29	20.11
Vanguard U.S. Equity Index Fund GBP Inc	2.46	14.36	31.74	-18.29	20.11
Vanguard U.S. Equity Index Fund Institutional Plus GBP Acc	2.50	14.39	31.79	-18.25	20.16
Vanguard U.S. Equity Index Fund Institutional Plus GBP Inc	2.49	14.40	31.79	-18.26	20.16
Vanguard SustainableLife 40-50% Equity Fund GBP Acc	--	--	--	--	16.75
Vanguard SustainableLife 40-50% Equity Fund GBP Inc	--	--	--	--	16.74
Vanguard SustainableLife 60-70% Equity Fund GBP Acc	4.42	2.96	20.81	-19.69	19.05
Vanguard SustainableLife 60-70% Equity Fund GBP Inc	4.42	2.97	20.79	-19.69	19.05
Vanguard SustainableLife 80-90% Equity Fund A GBP Acc	--	--	--	--	21.62
Vanguard SustainableLife 80-90% Equity Fund A GBP Inc	--	--	--	--	21.65
Vanguard Global Sustainable Equity Fund A GBP Acc	--	--	--	--	22.04
Vanguard Global Sustainable Equity Fund A GBP Inc	--	--	--	--	22.03
<b>Vanguard® Investments Money Market Funds</b>					
Vanguard Sterling Short-Term Money Market Fund Institutional Plus GBP Accumulation Shares	--	5.33	4.31	-16.77	13.70
Vanguard Sterling Short-Term Money Market Fund Investor GBP Income Shares	--	5.41	4.30	-16.79	13.64
<b>Vanguard LifeStrategy® Funds ICVC</b>					
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Accumulation Shares	3.91	8.20	7.34	-29.96	11.05
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Income Shares	3.91	8.20	7.34	-29.96	11.05
Vanguard LifeStrategy 40 % Equity Fund Accumulation Shares	2.85	7.54	12.26	-27.85	13.35
Vanguard LifeStrategy 40 % Equity Fund Income Shares	2.85	7.54	12.26	-27.85	13.35
Vanguard LifeStrategy 60 % Equity Fund Accumulation Shares	1.91	6.78	17.68	-25.72	16.14
Vanguard LifeStrategy 60 % Equity Fund Income Shares	1.91	6.78	17.68	-25.72	16.14
Vanguard LifeStrategy 80 % Equity Fund Accumulation Shares	0.97	5.83	23.25	-23.39	18.87
Vanguard LifeStrategy 80 % Equity Fund Income Shares	0.97	5.83	23.24	-23.39	18.87
Vanguard LifeStrategy 100 % Equity Fund Accumulation Shares	0.08	4.73	28.85	-20.91	21.70
Vanguard LifeStrategy 100 % Equity Fund Income Shares	0.08	4.73	28.85	-20.91	21.70
Vanguard Target Retirement 2015 Fund Accumulation Shares	1.19	7.02	11.80	-24.65	14.46
Vanguard Target Retirement 2020 Fund Accumulation Shares	1.40	6.85	15.01	-24.78	15.48
Vanguard Target Retirement 2025 Fund Accumulation Shares	1.61	6.76	17.25	-25.24	16.37
Vanguard Target Retirement 2030 Fund Accumulation Shares	1.42	6.54	18.60	-25.07	16.99
Vanguard Target Retirement 2035 Fund Accumulation Shares	1.23	6.33	19.98	-24.48	17.63
Vanguard Target Retirement 2040 Fund Accumulation Shares	1.00	6.03	21.44	-23.94	18.28
Vanguard Target Retirement 2045 Fund Accumulation Shares	0.90	5.88	22.86	-23.39	18.86
Vanguard Target Retirement 2050 Fund Accumulation Shares	0.88	5.92	22.98	-23.20	19.20
Vanguard Target Retirement 2055 Fund Accumulation Shares	0.96	5.86	22.98	-23.19	19.18
Vanguard Target Retirement 2060 Fund Accumulation Shares	0.90	5.89	23.03	-23.18	19.20
Vanguard Target Retirement 2065 Fund Accumulation Shares	0.91	5.96	22.96	-23.18	19.17

**Past performance is not a reliable indicator of future results.** All returns shown are net of fees. All transaction costs are included within the Net Asset Value (NAV) of the fund.

## Important risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Past performance is not a reliable indicator of future results.

Some funds invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall.

Investments in smaller companies may be more volatile than investments in well-established blue chip companies.

Vanguard Target Retirement Funds and Vanguard LifeStrategy® Funds may invest in Exchange Traded Fund (ETF) shares. ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid- offer spread which should be considered fully before investing.

Funds investing in fixed interest securities carry the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

The Funds may use derivatives in order to reduce risk or cost and/or generate extra income or growth. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value. A derivative is a financial contract whose value is based on the value of a financial asset (such as a share, bond, or currency) or a market index.

An investment in a money market fund is not a guaranteed investment. An investment in a money market fund is different from an investment in deposits, as the amount invested in a money market fund is capable of fluctuation. Money market funds do not rely on external support for guaranteeing the liquidity of the money market fund or stabilising the Net Asset Value per share. The risk of loss of the amount invested shall be borne by the investor.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments.

For Vanguard FTSE U.K. Equity Income Index Fund, Vanguard Global Equity Income Fund – Charges are deducted from capital (not income). Whilst this may increase the level of income paid, it will result in capital erosion and will constrain growth.

For further information on risks please see the "Risk Factors" section of the prospectus on our website at <https://global.vanguard.com>.

## Important information

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The Manager of Vanguard FTSE U.K. All Share Index Unit Trust ('Trust') is Vanguard Investments UK, Limited. Vanguard Asset Management, Limited is a distributor of Vanguard FTSE U.K. All Share Index Unit Trust.

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For further information on the fund's investment policies and risks, please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions. The KIIDs for these funds are available, alongside the prospectus via Vanguard's website <https://global.vanguard.com>

The Key Investor Information Document ("KIID") and the Prospectus for Vanguard FTSE 100 Index Unit Trust and Vanguard FTSE U.K. All Share Index Unit Trust are available, on request, via [uk\\_client\\_services@vanguard.co.uk](mailto:uk_client_services@vanguard.co.uk) or telephone 0800 032 3731.

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