DECEMBER 2024
LOW-COST ACTIVE
MULTI-ASSET

Vanguard ActiveLife Climate Aware funds

This document is directed at professional investors and should not be distributed to, or relied upon by retail investors.

This document is designed for use by, and is directed only at persons resident in the UK.

The ESG challenge

Investors around the world are increasingly interested in environmental, social and governance (ESG) issues as they seek to balance personal values and financial goals. We recognise, though, that ESG investing and the management of ESG risks and opportunities can mean different things to different people.

At Vanguard, we think about ESG as an investment provider and as a steward of our investors' assets. We think about ESG risks in the context of delivering long-term value to investors and helping them to meet their objectives.

We believe that material ESG risks, if left unchecked, can undermine long-term value in the companies in which we invest.

Recognising how ESG risks, like climate change, can erode shareholder value over time, the external managers of Vanguard's active ESG funds regularly incorporate ESG considerations into their selection processes. In exercising their fiduciary duty to the Vanguard funds, they have implemented stewardship practices designed to help enhance the long-term value of the securities in the funds they manage.

Additionally, they have a distinct process for assessing ESG considerations in their research and decision-making. By partnering with Wellington Management Company, which has a long history of actively engaging with the companies it invests in on ESG matters, we believe that our ActiveLife Climate Aware range of funds can help to deliver long-term growth for investors.

Introducing the range

Vanguard's ActiveLife Climate Aware funds are designed for investors who want to generate long-term growth from their investments, while allocating assets based on certain ESG considerations. By considering not just the investment potential, but also key ESG criteria, the fund managers of Vanguard's ActiveLife Climate Aware funds aim to meet the expectations of investors who are looking to express both active multi asset and/or ESG investing preferences.

Offering a simple all-in-one, actively managed portfolio of equities and bonds from around the world, ActiveLife Climate Aware funds can provide a core portfolio solution for investors. Because they are actively managed by Wellington Management Company, there is no need for ongoing rebalancing or maintenance. This frees up vital time for advisers so that they can focus on the thing that matters most — building great relationships with their clients.

The Vanguard ActiveLife Climate Aware range of funds are actively managed and do not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

Why use Vanguard ActiveLife Climate Aware funds?

Vanguard has been offering multi-asset solutions in conjunction with Wellington since 1975 and today manages more than £1,432bn[1] for multi-asset investors around the world. ActiveLife Climate Aware funds are the latest iteration of this range, designed for investors who prefer active management and want to take ESG considerations into account.

Climate considerations:
Incorporates ESG criteria, including a net zero commitment, helping to build a long-term competitive advantage that aims to deliver long-term growth.

Multi asset:
Provides an all-in-one portfolio of equities and bonds that is highly diversified across geographies, sectors and investment styles.

Proven expertise:
Vanguard and Wellington have a long history in multi-asset investing. Wellington's expertise in multi-asset investing dates back to 1929.

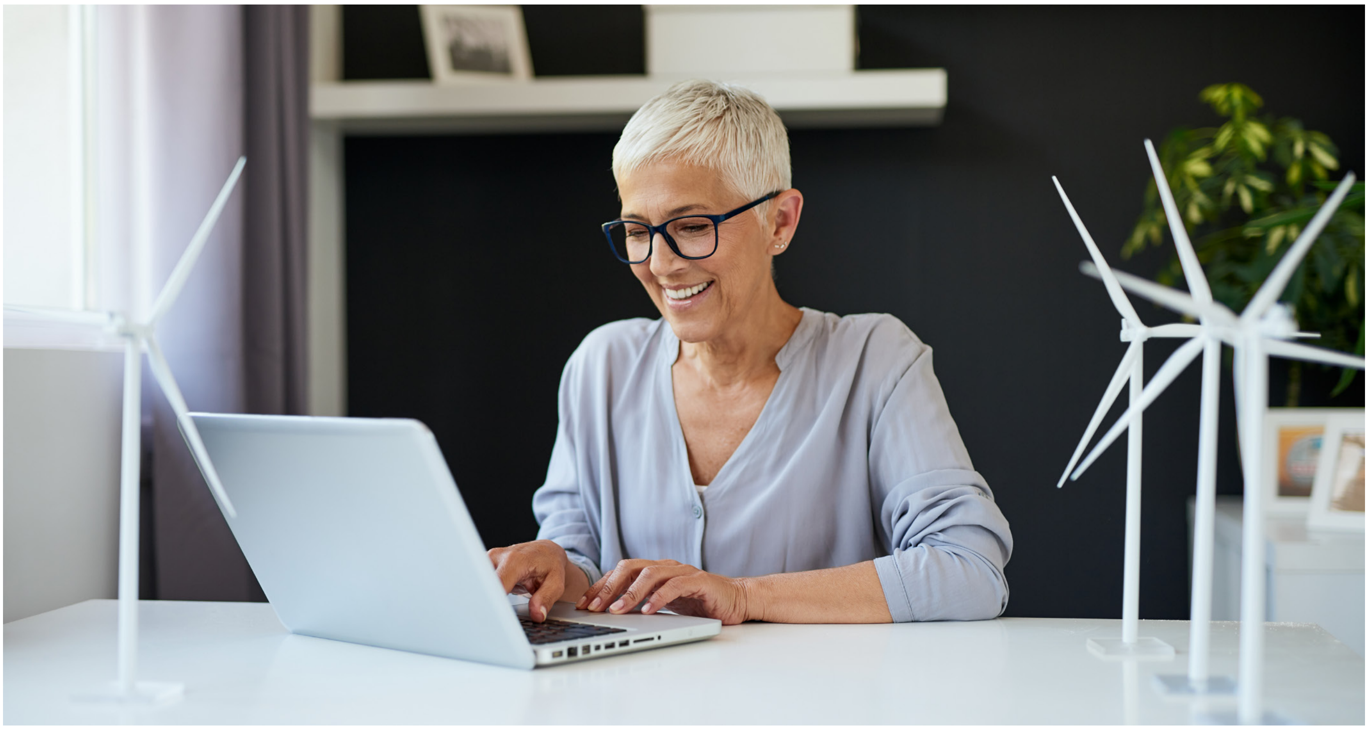
Low cost:
The ongoing charges figure (OCF)[2] of the Vanguard ActiveLife Climate Aware range is 0.48%, which is significantly below the 1.02% average expense ratio of the category[3].

Our net zero by 2050 commitment

The Vanguard ActiveLife Climate Aware funds have a **2050 net zero emissions target** in alignment with the Paris Agreement to **limit global warming** to well below 2°C. It emphasises:

- Investing 50% of shares and corporate bonds in companies with net zero science-based targets (SBTs) by 2027;
- Increasing this to 60% by 2030; 90% by 2040; and
- Ultimately investing 100% of the funds' shares or corporate bonds in companies which are net zero by 2050.

1 Source: Vanguard, as at 30 September 2024.
2 The ongoing charges figure/total expense ratio (OCF/TER) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the funds.
3 Source: Morningstar, as at 15 November 2024.



For investors who are ESG conscious, these funds offer exposure to a mix of equity and fixed income investments to align with their risk and return objectives.

There are three ActiveLife Climate Aware funds to choose from. Each is designed to broadly meet a set risk-return profile, providing advisers with a straightforward default portfolio solution, or a core investment around which to build fine-tuned, bespoke portfolios for their clients. The names refer to the equity exposure that each fund aims to hold, with the remainder exposed to bonds. The equity component will be rebalanced to remain within 5% either side of its target exposure in order to take advantage of any new opportunities presented by changing market conditions.

A choice of three funds

FUND	Typical exposures: EQUITY	Typical exposures: FIXED INCOME	WHO'S IT FOR?
1 Vanguard ActiveLife Climate Aware 40—50% Equity Fund	45% (+/- 5% flex)	55%	For investors with a lower tolerance for risk
2 Vanguard ActiveLife Climate Aware 60—70% Equity Fund	65% (+/- 5% flex)	35%	For investors with a moderate tolerance for risk
3 Vanguard ActiveLife Climate Aware 80—90% Equity Fund	85% (+/- 5% flex)	15%	For investors with a higher tolerance for risk

"Offering a range of uncomplicated, all-in-one, actively managed portfolios of equities and bonds from around the world, ActiveLife Climate Aware funds can provide a core portfolio solution for investors."

Source: Fong Yee Chan, Head of ESG Strategy, Europe, Vanguard.

Investment approach

Vanguard ActiveLife Climate Aware funds are highly diversified, multi-asset funds comprising a core large-cap equity portfolio of around 75-110 names alongside 50-60%, 30-40% or 10-20% of assets in bonds to reduce the exposure to risk. The funds provide exposure primarily to developed market securities and holdings may be selected from across sectors and industry groups. The funds typically invest in companies chosen on the basis of fundamental company analysis and bottom-up stock picking.

The equity portions of the funds are tilted towards value stocks and are conservatively managed in an effort to outperform the market with lower risk and a quality bias. The fixed income portions help to dampen the effects of market volatility. They comprise investment-grade securities and sovereign bonds issued by countries with fuel exports below a certain threshold. Overall, the portfolios are positioned to deliver returns through a combination of capital growth and income.

The investment philosophy

Vanguard ActiveLife Climate Aware funds are managed by Wellington according to an investment philosophy designed to deliver long-term growth for investors. Key tenets of that philosophy are an extended investment horizon combined with ongoing company engagement and the importance of valuation discipline.

Market inefficiencies can be magnified by ESG factors which can represent long-term risks to a company, and may impact its ability to generate investment returns in the future. Wellington pursues opportunities presented by market inefficiencies across both the fixed income and equity portfolios, delivering a multi-dimensional and dynamic approach to incorporating ESG.

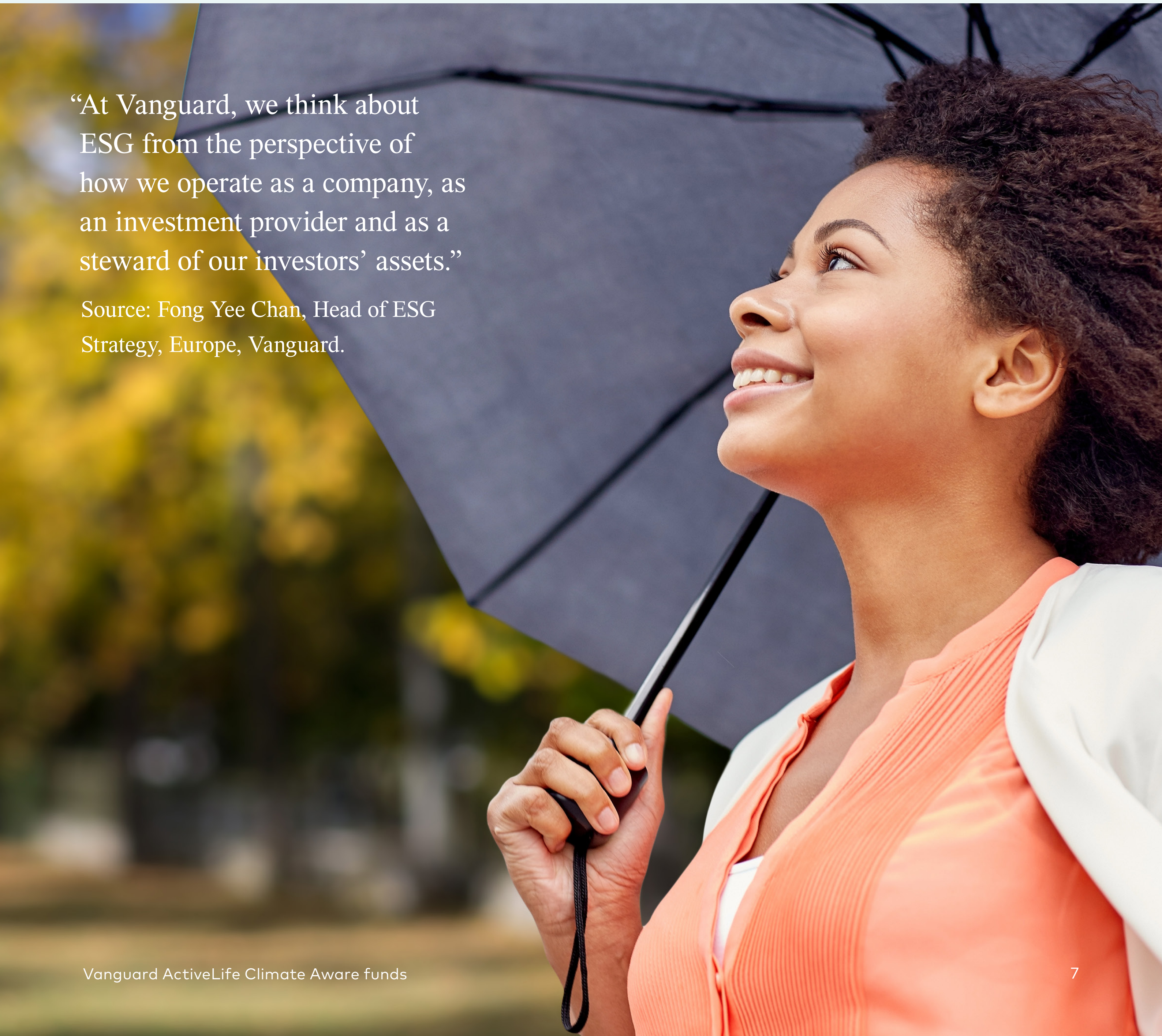
What is ESG?

ESG refers to environmental, social and governance considerations.

Environmental
Environmental criteria indicate how a company performs as a steward of the natural environment.

Social
Social criteria examine how a company manages relationships with and impacts on its stakeholders (employees, suppliers, clients, and communities).

Governance
Corporate governance focuses on mechanisms and processes that determine how a company's objectives are set (focus may lie on its board and leadership structure, executive pay, financial controls and shareholder rights).



"At Vanguard, we think about ESG from the perspective of how we operate as a company, as an investment provider and as a steward of our investors' assets."

Source: Fong Yee Chan, Head of ESG Strategy, Europe, Vanguard.

A disciplined investment process

Wellington and its fund managers have a long history of actively engaging with the companies they invest in on ESG matters. Additionally, they use portfolio screening techniques to avoid companies that may have a negative impact on society or the environment, and they integrate ESG considerations into their research to ensure they allocate capital wisely.

The Vanguard ActiveLife Climate Aware funds have a 2050 net zero target aligned to the Paris Agreement which provides a clearly defined pathway for companies to reduce greenhouse gas emissions. This means investing 50% of corporate exposure (measured on a combined basis of equity and fixed income corporate-only exposure) in companies with net zero science-based targets (SBTs)[4] by 2027, 60% by 2030, rising to 90% by 2040 and reaching 100% by 2050.

Vanguard ActiveLife Climate Aware funds: the four principles of ESG investing

SUSTAINABLE PRINCIPLES

1

Net zero commitment

The fund manager aims to invest a proportion of the fund's shares and corporate bonds in companies with net-zero science-based targets to reduce greenhouse-gas emissions.

Net-zero science-based targets are targets that provide a way for companies to reduce their greenhouse-gas emissions. They are verified by the Science Based Targets (SBT) initiative.

2

Climate Considerations

The fund manager looks to invest a proportion of the fund's shares and corporate bonds in companies which display qualities that support their journey towards net zero. We explain more about these climate considerations[5] on the next page.

When the fund manager purchases government bonds for the fund, the fund manager will consider whether the country's carbon intensity is at least 25% lower than the average of the government bonds issued by other countries within the benchmark index.

3

Exclusions policy

The fund manager excludes companies involved in and/or deriving revenue[6] from tobacco, thermal coal, oil sands and nuclear / controversial weapons.

When the fund manager purchases government bonds for the fund, the fund manager will ensure that the fuel exports for the relevant country do not exceed 50% of total exports.

4

Engagement with companies

The fund manager will engage with certain companies to encourage improvements in their paths to net zero by 2050. Engagement activities might include meeting with company boards, engagement with non-executive directors and participating in stakeholder dialogues.

4 Science-Based Targets (SBT) are science-based emissions reduction targets set by companies and verified by the Science Based Targets initiative. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

5 The fund manager will not invest more than 30% of the gross value of the assets of the fund in securities that do not demonstrate any of the climate considerations.

6 Revenue above certain thresholds, as determined by the external fund manager of the fund and set out in the fund manager's exclusions policy.

When purchasing shares and corporate bonds, the fund manager looks to invest a proportion of the fund's investments in companies which have set targets in their journey towards net zero.

The fund manager does this by investing in companies which have a level of carbon intensity that is at least 25% below the industry average, and/or by publishing an active emissions reduction target.

The carbon intensity of an individual company generally refers to company's annual emissions divided by its annual revenue, expressed in tons of carbon dioxide equivalent[1] (CO_2e) per million dollars of revenue, or tons CO_2e / $M revenue.

As part of its measure of carbon intensity, the fund manager takes into account a company's Scope 1 and Scope 2 carbon emissions.

- Scope 1 emissions cover the direct greenhouse gas emissions that come from sources owned or controlled by a company, such as emissions from fuel combustion in company vehicles and facilities.

- Scope 2 emissions are the emissions it makes indirectly – for example, from the generation of purchased electricity, steam, heating and cooling that a company buys and uses.

When the fund manager purchases government bonds for the fund, the fund manager will consider whether the country's carbon intensity is at least 25% lower than the average of the government bonds issued by other countries within the benchmark index.

Country carbon intensity refers to the volume of carbon emissions per annual GDP[2], expressed in tons of carbon dioxide equivalent/nominal (before inflation) GDP in dollar terms.

1 Carbon dioxide equivalent is a metric measure used to standardise the emissions from various greenhouse gases.
2 GDP – or Gross Domestic Product – measures the monetary value of goods and services.

Engaging with the companies they own

As long-term investors, Wellington takes its role as 'owners' very seriously. As such, the fund managers engage with company management to discuss material ESG issues. A central philosophy in Wellington's stewardship approach is that engagement with management teams and boards of directors can provide differentiated insights and impact company behaviour. Wellington assesses a range of environmental and social issues in engagements with companies.

Avoiding controversial companies

Wellington also has a strong view on the types of companies that it wants to invest in and excludes businesses perceived as having negative effects on society or the environment beyond a certain threshold.

Allocating capital wisely

Within the equity sleeve, the objective is to identify high-quality companies with high, sustainable and growing dividend yields, which the fund manager believes are priced below their intrinsic value. By applying social and environmental criteria, the fund manager aims to provide a balanced mix of companies with a high relative return on capital and lower cost of capital.

The fixed income sleeve integrates ESG into decisions at both the sector and issuer level, with the aim of generating positive performance over the long term as the market rewards progress and penalises laggards.

EXCLUDED ACTIVITY[6]	
Any involvement with nuclear weapons	**Revenue from oil sands extraction >= 5%**
Any involvement with controversial weapons	**Any involvement in tobacco production**
Revenue from thermal coal extraction >= 10%	**Revenue from tobacco related activities (e.g. distribution, retail or supply) >= 25%**
Revenue from thermal coal power generation >= 30%	**Sovereign bonds issued by countries where revenues from fuel exports >=50% of total export revenues.**

6 A link to the full exclusions policy can be found in the Prospectus.

ESG integration

- Fund managers work closely with dedicated ESG analysts, as well as credit and equity analysts, on ESG considerations. ESG analysts provide a quantitative rating on more than 8,500 companies on E, S and G factors, as well as providing an additional fundamental rating for many of these, which often reflects differentiated perspectives on a company.

- The fund managers are able to identify companies that warrant further ESG research to determine the possible impact on an investment thesis and whether they are being compensated for the ESG risks.

- Fund managers can invest in securities which have ESG momentum behind them encompassing both companies with low ESG risks, as well as companies which have the potential to improve their ESG credentials.

- The research process can help fund managers identify sources of alpha given that companies which are improving in terms of their ESG practices have the potential to have their share price valuations re-rated by the market and may enjoy favourable financial performance in the longer term.

- Strength of fundamental research capabilities gives fund managers an analytical edge without the need to rely on inconsistent, backwards-looking or static ESG scores and ratings. A forward-looking assessment of risks and opportunities enables the fund managers to spot the ratings discrepancies in their search for alpha.

- Consistent engagement with portfolio companies provides the best opportunity for long-term investors to deeply understand the ESG considerations that impact the industries and regions the fund is exposed to. This has the greatest potential to positively impact behaviour, and therefore investment returns, over time.

Examples of ESG risks and opportunities

Active engagement

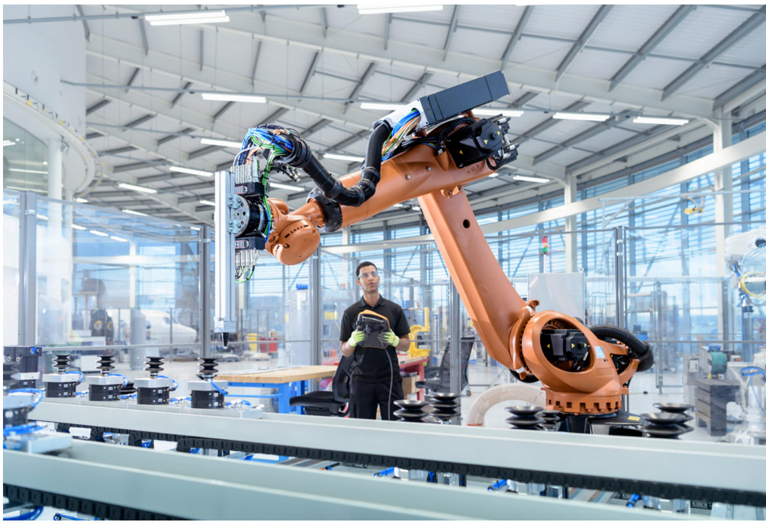
General Motors:
The US multinational automotive manufacturer is an investment with improving capital allocation. This is a result of better governance, and it is emerging as an industry leader in reducing carbon emissions through the introduction of electric vehicles. In 2021, it made significant commitments to realise an all-electric and zero-emissions future. It then increased targets to allocate $35bn in capital and engineering resources to electric vehicles and autonomous vehicle programmes between 2020 and 2025, up from the previous target of $27bn in November 2020.

It's looking to improve the carbon footprint of its own operations, and while the company has faced some shortcomings regarding its labour management practices, remedial actions have been implemented with the involvement of the board and CEO.

There have also been notable improvements in the quality of the board through the appointment of directors with backgrounds in technology, cybersecurity and advanced engineering. It also has a strong and growing representation of women in leadership positions including a female CEO with women comprising around 32% of top management.

Isuzu:
This Japanese vehicle manufacturer is a high-quality franchise with industry leading powertrain technology and leading market share in Japan and Thailand. However, Wellington had believed that mis-aligned management incentives and insufficient board independence contributed to disappointing past returns. Over years of holding the stock, Wellington engaged with management and the board on topics of independence and lower than expected returns. Given a lack of progress, Wellington wrote to the board in 2020, encouraging them to increase board independence, among other topics.

Wellington also encouraged improvements in board diversity. While the company made some progress since 2020, it was still lacking and Wellington has contined to engage with the board to reiterate its stance on independence and diversity, among other topics. Its engagement efforts are beginning to yield results.



Why Vanguard?

The rapidly evolving landscape of ESG investing is having a profound impact on how advisers are thinking about it for clients. No longer the preoccupation of a committed few, the momentum behind ESG investing has been building in recent years.

Vanguard takes a sub-advised approach to the active management of our equity funds and partners with leading fund managers from around the world. Vanguard invests considerable time, resources and energy to ensure that our actively managed funds are in the hands of talented, world-class fund managers capable of producing consistently competitive investment performance over the long term.

The role of our Oversight & Manager Search team is to engage with current and prospective fund managers to assess their ESG practices and to understand how ESG issues inform their investment processes.

In 2019, Vanguard granted full proxy voting responsibilities to each external fund manager for the portions of the funds they manage. This enables external fund managers to integrate their proxy voting activities and company engagement into their investment strategies. Although each external fund manager follows its own policies and guidelines that govern proxy voting decisions, Vanguard has carefully selected fund managers whose principles and processes align with the objectives of the funds they manage.

A leader in active

When the Vanguard Group, Inc., parent company of Vanguard Asset Management, Limited, started operations in the US in 1975, our entire line-up comprised 11 active funds. Attributes including stability, experience and a focus on long-term, low-cost investing have played a consistent role in our long history of active investing.

As one of the largest active investors in the world, we are pleased to have some of the industry's most respected and forward-thinking investment teams applying their unique perspectives to the portfolios they manage for Vanguard. We evaluate fund managers so advisers can spend more time on behavioural coaching and building stronger client relationships.

We do this by taking into consideration fund managers that promote the Vanguard way of investing, including the importance of low costs and a long-term perspective. We have access to a vast talent pool, and fund manager skill is critical, as is the breadth and strength of resources.

Collaborative initiatives

Vanguard is a member of, or signatory to, a number of collaborative initiatives focused on long-term value creation and climate considerations. These include, but are not limited to, the following:

- Signatory to the **Principles for Responsible Investment** (PRI), a voluntary set of principles that commit signatories to incorporating ESG issues into investment analysis and decision-making.
- Supporter of the **Task Force on Climate-related Financial Disclosures** (TCFD). Vanguard encourages companies to disclose climate-related risks in line with the TCFD framework.
- Signatory to the **UK Stewardship Code 2020.**

Why do we partner with Wellington Management?

We believe that Wellington demonstrates **leadership in ESG investing**. With more than **100 analysts**[7] covering either fundamental research, or sustainable investing, and involved in more than **15,000 company meetings a year**, the strength of its research capabilities gives Wellington fund managers a **clear analytical edge**.

Through its partnerships with the Massachusetts Institute of Technology (MIT) and the Woodwell Climate Research Center, its commitment as a founding member of the Net Zero Asset Managers initiative, and measures such as matching its US employees' office and home electricity use with renewable energy, we believe that Wellington is a leader in climate investing.

Wellington works in partnership with organisations at the forefront of climate research. It works with experts, from climate scientists to academics, on a range of topics with the intention of deepening insights when assessing investment risks and opportunities.

Wellington is a strong supporter of industry initiatives such as a signatory to:

- The Principles for Responsible Investment (PRI) since 2012.
- The PRI Statement on ESG in credit ratings.
- The Statement of Support for the Task Force on Climate-related Financial Disclosures (TCFD).
- The Transition Pathway Initiative.
- Regional and global governance codes, including the UK Stewardship Code.

7 Source: Wellington, as at 14 November 2024.

Leader in climate investing:

- Wellington entered into a collaborative initiative in 2018 with the Woodwell Climate Research Center — the world's leading independent climate research institute — to integrate climate science and asset management. The alliance focuses on creating quantitative models to help analyse and better understand how and where climate change may impact global capital markets.

  The result has been the development of a new investing tool which builds a geospatial map that layers climate-science data on top of capital market data. This work has helped Wellington with a number of climate-related research projects.

- Wellington announced its climate change research collaboration with MIT in 2022. The alliance bolsters Wellington's current research on the transition to a low-carbon economy, enhances its understanding of the expected financial impacts of various transition pathways on industries and economies, and deepens its decarbonisation engagement practices.

- Wellington joined the Net Zero Asset Managers initiative as a founding member in December 2020. Through this initiative, Wellington has committed to work in partnership with clients on their decarbonisation goals and set an interim target for the proportion of assets to be managed in line with the attainment of net-zero emissions by 2050.

  This commitment is grounded in the belief — forged by extensive research — that climate change poses material risks for companies, economies and society, and therefore, clients' investment portfolios.

- In a groundbreaking initiative, Wellington has partnered with Enel Green Power North America to match its US employees' office and home electricity use with renewable energy. It's a first-of-its-kind virtual power purchase agreement. The deal represents an innovative model for corporate renewable energy buyers by enabling them to address the new, more decentralised, nature of post-Covid-19 operations.

Helping you deliver more value to investors

Vanguard believes in the importance of advice, and the essential role that advisers play in helping investors achieve their life goals through expert planning, coaching and investing.

Our range of multi-asset 'Life' solutions are designed to help make that process easier by offering advisers the tools you need to cater for the differing risk profiles, preferences and objectives of your clients.

Using an all-in-one multi-asset solution like ActiveLife Climate Aware funds can free up valuable time and resources that advisers otherwise spend on activities such as fund selection and oversight. This means more time back to build a sustainable and valuable business, enhance relationships with existing clients or find new ones.

Serving as a diversified core investment

Broadly diversified, low-cost, active portfolios may serve as suitable accumulation components for a broader investment portfolio.

Assisting product suitability

Well-constructed and implemented portfolios may give you more time and resources to focus on your clients and to ensure portfolios align closely to their financial situation, return objectives and risk tolerance.

Enhancing your role as client coach

Simple, packaged portfolios may help you to help your clients avoid common behaviours that tend to reduce investor returns or increase investor risk, such as market timing and chasing top-performing funds.

Serving a variety of client types

The range of fixed allocations means that you can find a fund that's appropriate for many different kinds of clients.

Reasons to choose ActiveLife Climate Aware funds

1	**Value to advisers**	Multi-asset solutions free up advisers from the time-consuming task of selecting and maintaining funds in a portfolio, allowing you to focus on what really matters – your clients.
2	**Multi asset**	Large-cap core equity portfolio of 75-110 names alongside a fixed income allocation provides a diversified exposure across geographies, sectors and investment styles.
3	**Fully active, bottom-up approach**	The objective is to identify high-quality companies with high, sustainable and growing dividend yields, which the fund managers believe are priced below their intrinsic value.
4	**Focused on ESG considerations**	By applying social and environmental criteria, the fund managers aim to provide a balanced mix of companies with a high relative return on capital and lower cost of capital.
5	**Long-running expertise**	Sister funds to the world's longest running multi-asset fund, the Vanguard Wellington strategy.
6	**Choice of blended portfolios**	Target allocation of 40-50%, 60-70% or 80-90% equities (with the scope to flex within a 10% range) means they can suit the needs of a variety of investor profiles.
7	**Low cost**	The ongoing charges figure (OCF) of 0.48%[8] is significantly below the 1.02% average expense ratio of the Investment Association peer group[9], meaning that sustainability doesn't have to cost more.
8	**Clear principles**	Each fund is built on the same four principles for investment success – goals, cost, balance, discipline.

8 The ongoing charges figure/total expense ratio (OCF/TER) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the funds..

9 Source: Morningstar, as at 15 November 2024.

Meet the managers

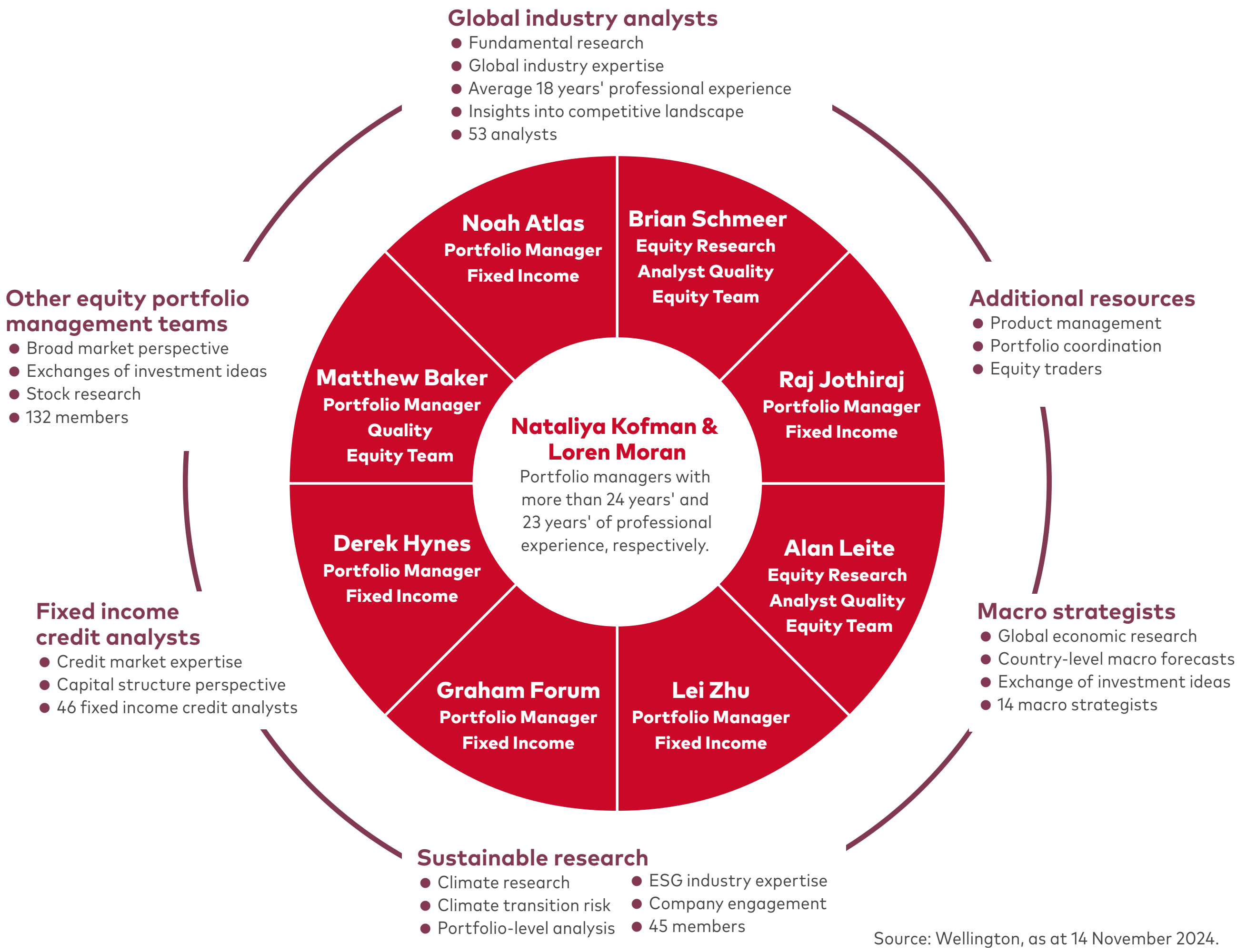
Nataliya Kofman

The equity portion of the portfolio is run by Nataliya Kofman, a portfolio manager in Global Equity Portfolio Management within Wellington's Quality Equity Team based in Boston. Nataliya manages global equity assets on behalf of her clients, drawing on research from Wellington Management's global industry analysts, equity portfolio managers and team analysts. She also provides research to her team on the healthcare, industrial, insurance, semiconductor and automotive sectors globally. Prior to joining the firm in 2006, Nataliya worked as a summer investment associate at Neuberger Berman, covering the medical device industry (2005). Before that, she served as an engineering team leader of the cross-functional powertrain design team at Ford Motor Company (1998 – 2004), responsible for the product launch of Ford's flagship F150 product. Nataliya started her career at Ford as engine design engineer, progressing through multiple global assignments in the engine and vehicle system design functions bringing products from concept to mass production. Nataliya earned her MBA from Harvard Business School (2006) and her MS (1997) and BS (1996), magna cum laude, in mechanical engineering from the University of Michigan. She is fluent in Russian.

Loren Moran

The fixed income mandate is managed by Loren Moran. Loren joined Wellington in 2014, and has over 20 years of industry experience. She is responsible for managing multi-sector fixed income portfolios. In addition to deep credit expertise, she draws on the perspectives of Wellington Management's global industry and credit analysts, specialist portfolio managers, and global macro strategists to develop investment strategy within the global fixed income markets. Prior to joining Wellington, Loren was a corporate bond portfolio manager and investment-grade corporate trader at Goldman Sachs Asset Management (2010 – 2014). She previously worked as a portfolio manager and research analyst at Progressive Capital Management (2006 – 2010). Loren began her career in interest-rate sales at Lehman Brothers (2001 – 2006). Loren received her BS in foreign languages with a major in Mandarin Chinese from Georgetown University (2001). Additionally, she holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the CFA Society Boston.

Wellington's depth of research



Source: Wellington, as at 14 November 2024.

The Vanguard ActiveLife Climate Aware range of funds' performance may be compared against the Composite Index*. The Authorised Corporate Director considers that the combination of the indices within the Composite Index provide a benchmark that best reflects the investment strategy of the funds as a means to assess the performance of the funds.

Vanguard ActiveLife Climate Aware 40-50% Equity Fund

*Composite Index comprised of: 45% FTSE Developed Net Tax Index, 44% Bloomberg Global Aggregate Credit Index, 5.5% Bloomberg Global Aggregate Treasury Index; and 5.5% Bloomberg Global Aggregate Securitized Index.

Vanguard ActiveLife Climate Aware 60-70% Equity Fund

*Composite Index comprised of: 65% FTSE Developed Net Tax Index, 28% Bloomberg Global Aggregate Credit Index, 3.5% Bloomberg Global Aggregate Treasury Index; and 3.5% Bloomberg Global Aggregate Securitized Index.

Vanguard ActiveLife Climate Aware 80-90% Equity Fund

*Composite Index comprised of: 85% FTSE Developed Net Tax Index, 12% Bloomberg Global Aggregate Credit Index, 1.5% Bloomberg Global Aggregate Treasury Index; and 1.5% Bloomberg Global Aggregate Securitized Index.

Key investment risks

The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events. Movements in currency exchange rates can adversely affect the return of your investment.

Counterparty risk. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Sustainability risk. The Fund may not make possible investments if they do not meet the Fund's Sustainability Policy. This may affect the Fund's exposure to certain issuers and cause the Fund to forego certain investment opportunities.

Liquidity risk. Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.

Credit risk. The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.

Inflation risk. The value of your investments may not be worth as much in the future due to changes in purchasing power resulting from inflation.

Use of derivatives. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value.

Please also read the risk factors section in the prospectus and the Key Investor Information Document, both of which are available on the Vanguard website.

Investment risk information

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

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.

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 fund 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.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments. Income may fluctuate in accordance with market conditions and taxation arrangements.

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

Important information

This document is directed at professional investors and should not be distributed to, or relied upon by retail investors.

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 KIID for this fund is available, alongside the prospectus via Vanguard's website https://global.vanguard.com/

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