

Vanguard®

# Quarterly Report

Vanguard LifeStrategy 100% Equity Fund

31 December 2024

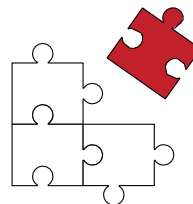
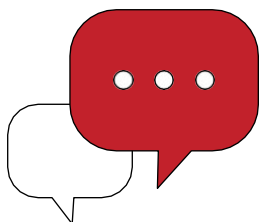


This document is directed at professional investors and should not be distributed to, or relied upon by retail investors.  
This document is designed for use by, and is directed only at persons resident in the UK.

# Vanguard 365

## Latest updates

Our long-term commitment to advisers is demonstrated in the ways in which we hope to support you as an individual, support your business and support you in your conversations with your clients.



### Insights & Research

- Market tension shapes 2025 investment outlook
- The global 60/40 portfolio: Steady as she goes
- How IHT changes affect legacy planning

### Events & Webinars

#### Upcoming

- **22nd Jan – 13th Feb 2025** The Great Wealth Transfer roadshow
- **28th Jan 2025** Vanguard's multi-asset outlook 2025

#### Catch-up on demand

- Inside Track: Finding balance with global bonds
- Bonds, ballots and beyond: The landscape for fixed income indexing
- **Vanguard's 2025 economic and market outlook**

### Tools & Client-facing Resources

- Tactical asset allocation chart
- Portfolio analytics tool
- Risk profiling tool

## To view all of this and more



### Create your Vanguard 365 account

Click the link or scan the QR code now to log in or register for free.

## Vanguard's four principles for investing success



### Goals

Create clear, appropriate investment goals



### Cost

Minimise cost



### Balance

Develop a suitable asset allocation using broadly diversified funds



### Discipline

Maintain perspective and long-term discipline

# Market commentary

## Highlights

- 1**  
 The UK economy is showing signs of stalling, but inflationary pressures persist
- 2**  
 With Europe's economic challenges mounting, the European Central Bank cuts rates
- 3**  
 US growth remains robust, but the pace of rate cuts looks set to slow in 2025

Fourth-quarter economic indicators pointed to robust US growth continuing, but highlighted weakness in the UK and euro area. Although inflation remained above central banks' targets in all three economies, inflation concerns showed signs of easing. While a rate-cutting cycle initially gained momentum globally, the pace slackened by year end as heightened inflationary concerns resurfaced. Nonetheless, the US Federal Reserve (the Fed) and the European Central Bank (ECB) each cut their interest rates twice during the quarter, while the Bank of England (BoE) cut rates once.

In the UK, Q3 economic activity stalled, and Q4 survey data suggested that the slowdown has continued. Although the annual headline Consumer Price Index (CPI) edged below the BoE's 2.0% inflation target in September, reaching 1.7%, inflation rebounded to 2.6% in November. Services inflation remains a BoE concern despite signs of easing. While it dropped to 5% in November, it remains significantly above the BoE's target. Nevertheless, the BoE cut base rates from 5.0% to 4.75% at its November meeting before keeping rates on hold at the December meeting.

Source: all data has been sourced from Bloomberg.

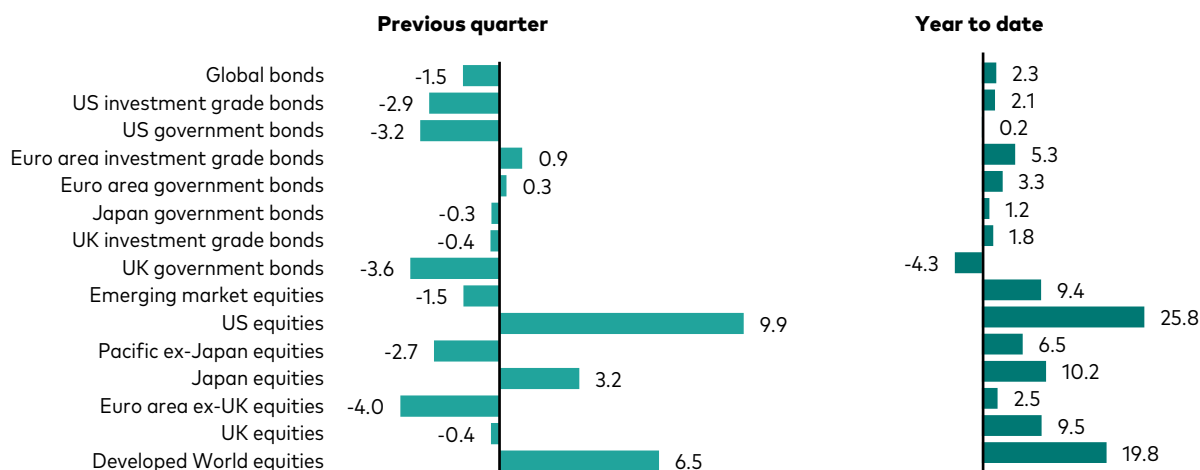
By contrast, euro area economic activity picked up in Q3 after weak first-half growth. However, survey indicators suggested that the Q3 rebound was temporary. With a weakening labour market, Q4 economic activity is showing signs of moderating. Annual headline inflation fluctuated around the ECB's 2% target, as it edged up from a low of 1.7% in September to 2.3% in November. The ECB cut its policy rate by 25 basis points (bps) at both its October and December meetings, leaving it at 3.00%.

The US economy's robust growth continued, expanding by 2.8% (annualised) in Q3. Indicators suggested that this momentum carried over into Q4. The Fed's preferred inflation measure, the Core Personal Consumer Expenditures (PCE) Price Index, which excludes food and energy costs, saw an uptick to 2.8% for the 12 months to November 2024. Similarly, the headline PCE also rose slightly to 2.4%, with both gaining 30 bps from the end of September. The Fed cut interest rates by 25 bps at both its November and December meetings, ending the year with a federal funds rate target range of 4.25%-4.5%. However, the Fed's December meeting debriefing dampened market sentiment when it indicated a planned slower pace of rate cuts in 2025.

## Regional market performance

Equity and bond market total returns: previous quarter and year to date as at 31 December 2024 (%).

The market returns displayed here are not reflective of the underlying funds that make up LifeStrategy portfolios and are intended to provide a high-level overview of market performance (in GBP).



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

Source: Vanguard as at 31 December 2024. Total returns in GBP. Indices used: Bloomberg Global Aggregate Float Adjusted and Scaled Index GBP Hedged; Bloomberg Global Aggregate USD Credit Float Adjusted Bond Index GBP Hedged; Bloomberg U.S. Government Float Adjusted Bond Index GBP Hedged; Bloomberg EUR Non Government Float Adjusted Bond Index GBP Hedged; Bloomberg EUR Government Float Adjusted Bond Index GBP Hedged; Bloomberg Japan Government Float Adjusted Bond Index GBP Hedged; Bloomberg GBP Non Government Float Adjusted Bond Index in GBP; Bloomberg U.K. Government Float Adjusted Bond Index in GBP; MSCI Emerging Markets Index GBP; S&P Total Market Net TR Index GBP; MSCI Pacific ex Japan Index GBP; MSCI Japan Index GBP; FTSE Developed Europe ex U.K. Index GBP; FTSE All-Share Index GBP; FTSE Developed Index GBP.

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

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

# Portfolio commentary

## Highlights

**1**  
The LifeStrategy 100% Equity Fund achieved a 4.34% gain in Q4 2024

**2**  
US shares surged after Donald Trump was elected US president

**3**  
Volatile fixed income markets saw yields rise sharply

The LifeStrategy 100% Equity Fund achieved a positive return of 4.34% in the fourth quarter of 2024.

The Fund's positive performance was primarily driven by its exposure to US equities and, to a lesser extent, Japanese equities. By contrast, exposure to European (ex-UK) equities weighed on returns, while the Fund's UK equities holding slightly detracted from performance.

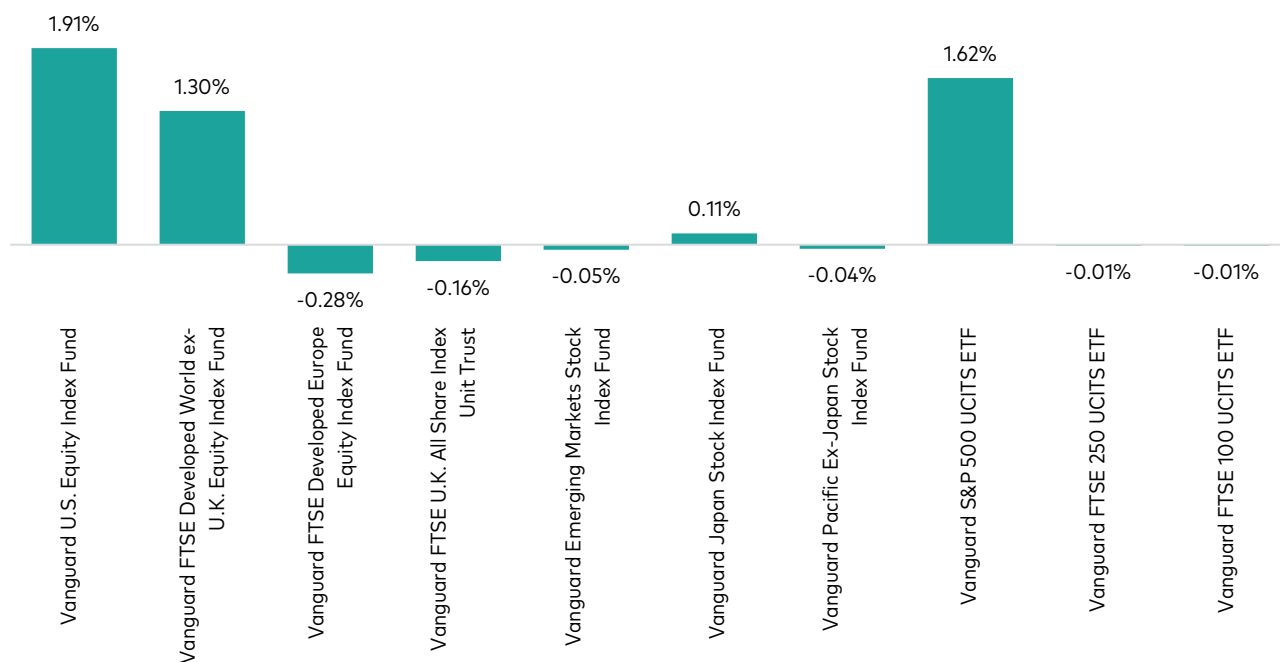
Equities in the US saw a boost following Donald Trump's presidential election victory, driven by expectations of deregulation and tax cuts. In Japan, shares rose on hopes of an end to the era of deflation. Conversely, European equity markets posted weak returns amid concerns about a recession, weak export data and US trade tariffs. UK shares fell on increased concerns about the country's deteriorating growth outlook. Elsewhere, the potential effect of proposed US trade tariffs weighed heavily on emerging markets, particularly China.

Globally, fixed income markets were highly volatile and performed poorly. Bond yields rose in the major bond markets, particularly in the US and UK, as growing fiscal and inflationary pressures weighed on investor sentiment.

In the absence of an economic or earnings growth shock, US equity returns may continue to defy valuation gravity in the near term. Outside the US, lacklustre corporate earnings have dampened equity returns, although valuations are more attractive. Longer term, price-earnings ratio differences are usually the primary driver of relative returns.

### Performance contribution of underlying Vanguard funds in Q4 2024 (%)

Vanguard LifeStrategy 100% Equity Fund (accumulation shares)



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

Source: Vanguard as at 31 December 2024.

Total returns in GBP, net of fees with income reinvested. Basis of fund performance is NAV to NAV.

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

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

As at 31 December 2024

# Vanguard LifeStrategy 100% Equity Fund

Total fund assets: £8,531mn

## Investment objective and policy summary

- The Fund seeks to hold investments that will pay out money and increase in value through a portfolio comprising approximately 100% shares.
- The Fund will have exposure to shares of UK companies and non-UK companies (including emerging markets (i.e. countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body)). The UK will generally form one of the largest single country exposures for shares.

## Annualised performance\*

%, GBP, net of OCF, as at 31 December 2024

	YTD	1m	3m	6m	1yr	3yrs	5yrs	10yrs	Since inc.
<b>LifeStrategy 100% Equity Fund-Acc.</b>	16.80%	-1.08%	4.34%	5.13%	16.80%	7.50%	9.68%	10.43%	10.30%

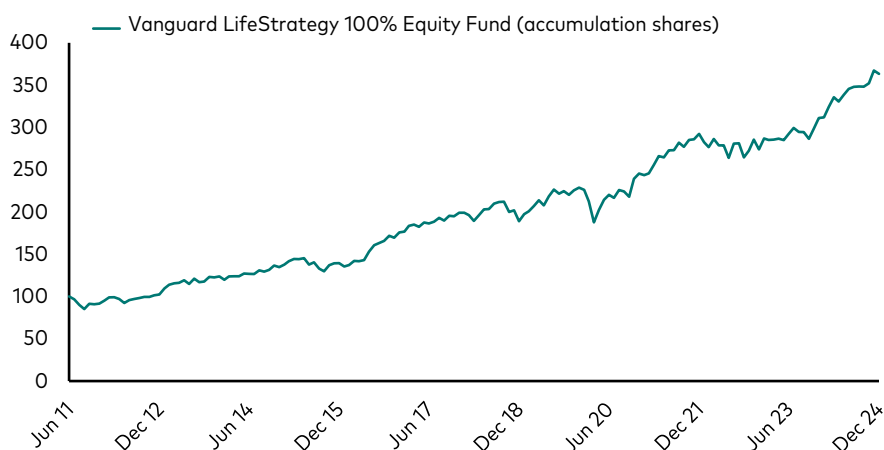
## 12-month return to:

%, GBP, net of OCF

	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024
<b>LifeStrategy 100% Equity Fund-Acc.</b>	3.49%	26.07%	13.27%	-5.04%	21.03%	7.22%	19.15%	-6.25%	13.47%	16.80%

## Cumulative performance (since inception)

%, GBP, net of OCF, 23 Jun 2011 to 31 Dec 2024

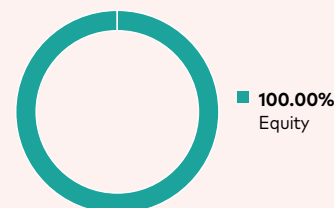


Past performance is not a reliable indicator of future results.

Source: Vanguard

\*Figures in the table above for periods less than one year are cumulative returns. All other figures represent annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. Basis of fund performance is NAV to NAV with gross income invested.

## Asset allocation breakdown



## Fund Facts

Investment structure	UCITS
Domicile	UK
UK Reporting Status	Yes
Inception date	23/06/2011
Use of income	Accumulating
ISA eligible	Yes
SRRI <sup>1</sup>	5
IA Sector	Global

## Fees

Ongoing Charges Figure (OCF<sup>2</sup>) 0.22%

## Purchase information

ISIN	GB00B41XG308
SEDOL	B41XG30
Bloomberg ticker	VGL100A
Base currency	GBP

## Risk ratings<sup>3</sup>

Defaqto	9
Dynamic Planner	7
Finametrica	83-100
Oxford Risk (of 5)	4.70
Oxford Risk (of 7)	6.20
Synaptic (1-5)	5.40
Synaptic (1-10)	9

<sup>1</sup>Synthetic Risk and Reward Indicator is used to indicate the level of risk of a UCITS fund on a scale of 1 to 7, with 1 representing low risk and 7 representing high risk.

<sup>2</sup>The Ongoing Charges Figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds. When you invest with any fund manager, you pay a number of charges, starting with the Annual Management Charge (AMC) which covers the fund manager's costs of managing the fund. The AMC plus ongoing running costs and other operational expenses make up the fund's total 'ongoing charges figure'.

<sup>3</sup>Defaqto data as at 1 October 2024; Dynamic Planner data as at Q4 2024; EValue data as at Q4 2024; FinaMetrica data as at 31 January 2021; Oxford Risk data as at 31 January 2024; Synaptic data as at Q4 2024.

Data shown is for the Vanguard LifeStrategy 100% Equity Fund GBP Gross Accumulation share class.

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

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

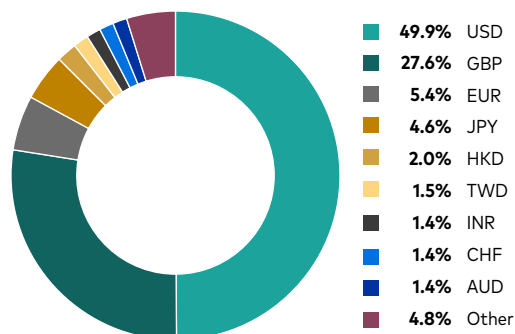
As at 31 December 2024

# Vanguard LifeStrategy 100% Equity Fund

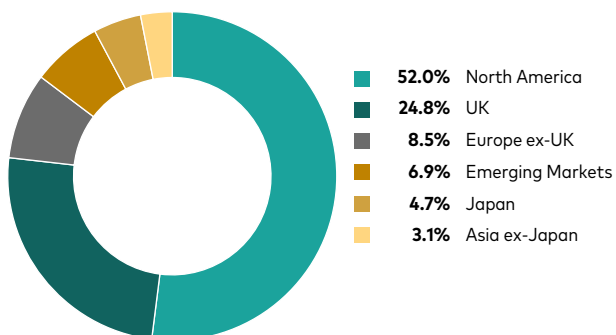
## Underlying fund weightings

Equity Allocation	(%)
Vanguard FTSE U.K. All Share Index Unit Trust	19.7%
Vanguard U.S. Equity Index Fund	19.4%
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.3%
Vanguard S&P 500 UCITS ETF	17.7%
Vanguard Emerging Markets Stock Index Fund	7.7%
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	6.1%
Vanguard FTSE 100 UCITS ETF	4.6%
Vanguard Japan Stock Index Fund	3.4%
Vanguard Pacific Ex-Japan Stock Index Fund	1.6%
Vanguard FTSE 250 UCITS ETF	0.5%

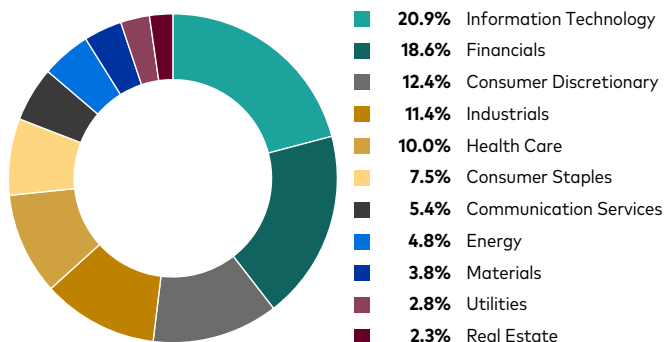
## Fund currency breakdown



## Equity regional breakdown



## Equity sector breakdown



## Equity characteristics<sup>1</sup>

Number of stocks	6,701
Median market cap (GBP mn)	102.72
Equity Yield (%)	2.20
P/E Ratio (x)	21.10

Data shown is for the Vanguard LifeStrategy 100% Equity Fund GBP Gross Accumulation share class.

Source: Vanguard (Data as of 31/12/2024)

<sup>1</sup> Calculated as the weighted average across the equity allocation.

Note: Fund and asset class weights should add up to 100%; however, there may be differences due to rounding.

**This is directed at professional investors and should not be distributed to or relied upon by retail investors.  
This is designed for use by and is directed only at persons resident in the UK.**

### Key investment risks

The value of equities and bonds can be affected by factors such as stock market movements, interest rates, credit spreads and volatility. Other driving 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.

Liquidity risk. Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily. This could cause the Fund to incur higher costs when buying or selling investments or could mean that the Fund is not able to buy or sell investments when it would like to do so.

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.

## 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.

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.

The 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.

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 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>.

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

The information contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information in this document is general in nature and does not constitute legal, tax, or investment advice. Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of shares and/or units of, and the receipt of distribution from any investment.

The Authorised Corporate Director for Vanguard LifeStrategy Funds ICVC is Vanguard Investments UK, Limited. Vanguard Asset Management, Limited is a distributor of Vanguard LifeStrategy Funds ICVC.

For investors in UK domiciled funds, a summary of investor rights can be obtained via <https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/Vanguard-InvestorsRightsSummaryUKFUNDSJan22.pdf> and is available in English.

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE", "Russell", "MTS", "FTSE TMX" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under licence. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE or Russell indexes or the fitness or suitability of the indexes for any particular purpose to which they might be put.

The index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Vanguard. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the index.

SEDOL and SEDOL Masterfile® are registered trademarks of the London Stock Exchange Group PLC. SEDOL Data has been provided from the London Stock Exchange's SEDOL Masterfile®

Issued by Vanguard Asset Management Limited, which is authorised and regulated in the UK by the Financial Conduct Authority.

© 2025 Vanguard Asset Management Limited. All rights reserved.

Reference number: 4182906

Connect with Vanguard®

[global.vanguard.com](https://global.vanguard.com)

**Vanguard®**