

## SUSTAINABLELIFE FUNDS

## Quarterly update

LOW-COST ACTIVE  
MULTI-ASSET

**Vanguard's SustainableLife funds are designed for investors who want to generate long-term growth from their investments, alongside the incorporation of sustainable investment criteria. The names refer to the equity exposure that each fund aims to hold, with the remainder invested in fixed income securities.**

**Highlights**

- Global stocks performed strongly over the quarter while bond prices declined.
- The US and Japan were the top-performing regions over the period.
- Growth stocks performed better than value stocks.
- Each fund within the Vanguard SustainableLife range underperformed its benchmark.
- Wellington believes its long-term approach is well-suited for a range of possible outcomes.

**Market overview**

Global equity markets continued to advance in the first quarter of 2024, with some major indices reaching record highs. Inflation readings stayed above target in many developed economies, but labour markets remained on a solid footing. In the US, resilient consumer spending and sustained economic expansion added to positive market sentiment. Given this backdrop, a number of major central banks, including the US Federal Reserve (Fed), the European Central Bank and the Bank of England, left interest rates unchanged.

With interest rate cuts looking less imminent for now, bond yields generally rose and prices declined. The yield of the bellwether 10-year US Treasury note, for example, ended the quarter higher at 4.20%.

**Performance**

The Vanguard SustainableLife 40-50% Equity Fund returned 3.28% (net of fees) over the quarter and underperformed its benchmark, the SustainableLife 40-50% Equity Composite Index<sup>1</sup> (in GBP), which returned 4.23%<sup>2</sup>.

The Vanguard SustainableLife 60-70% Equity Fund returned 4.68% (net of fees) over the quarter and underperformed its benchmark, the

SustainableLife 60-70% Equity Composite Index<sup>3</sup> (in GBP), which returned 6.21%<sup>2</sup>.

The Vanguard SustainableLife 80-90% Equity Fund returned 6.12% (net of fees) over the quarter and underperformed its benchmark, the SustainableLife 80-90% Equity Composite Index<sup>4</sup> (in GBP), which returned 8.18%<sup>2</sup>.

The equity sleeve underperformed its benchmark, primarily driven by stock selection within the health care sector. Stock selection within and an underweight allocation to the technology sector also detracted from performance. Meanwhile, stock selection in the consumer discretionary and real estate sectors added to returns.

The largest held equity detractors included AIA and Arkema.

The share price of AIA, a Hong-Kong based multinational insurance company, fell around 20% during the first quarter of 2024 following its fiscal year earnings release. Market conditions and elevated medical claims posed further headwinds.

The share price of Arkema, France's leading speciality chemical provider, trended lower during the period due to mixed quarterly results.

The largest held equity contributors included Mitsubishi Estate and Daimler Truck.

<sup>1</sup>Composite Index comprises: 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 (together, the "Composite Index").

<sup>2</sup>Source: Vanguard, as at 31 March 2024.

<sup>3</sup>Composite Index comprises: 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 (together, the "Composite Index").

<sup>4</sup>Composite Index comprises: 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 (together, the "Composite Index").

The share price of Mitsubishi Estate, a real estate developer in Japan, saw an increase due to its strong domestic commercial real estate business.

The share price of Daimler Truck, a truck manufacturing company based in Germany, rose after the company released better-than-expected earnings for 2023. The results were buoyed by excess demand following the supply chain constraints of 2022.

The fixed income sleeve outperformed its benchmark. Security selection within investment-grade credit had a positive impact on returns. Within corporate credit, security selection within industrials, utilities and financial institutions contributed to relative performance. An overweight allocation to financial institutions, particularly banking and real estate investment trusts (REITs), also boosted returns. The portfolio's allocation to agency mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS) also had a positive effect.

## Activity

Over the quarter, Wellington added to its new position in Sumitomo Trust, a Japanese financial holding company. Sumitomo Trust has lagged the market given less exposure to rising interest rates, however Wellington thinks this is an interesting opportunity to own a more domestically orientated business which trades at a valuation discount to more globally focused enterprises based in Japan.

Wellington trimmed its position in Schneider Electric due to share-price strength. The investment team believes that years of investment in digital and energy-efficient initiatives makes Schneider well-positioned to take advantage of climate and energy transition opportunities.

The fixed income allocation is underweight USD-denominated supranationals/sovereigns, given very tight valuations, and is neutral USD corporate bonds. The investment team remains underweight emerging markets, given tight valuations and vulnerability to tighter financial conditions globally. It views European corporate valuations as attractive.

## Outlook

The equity team continues to anticipate market volatility driven by uncertainty around persistent inflation, the direction of interest rates and the outcome of elections in the US and elsewhere this year. The team notes global equities advanced during the first quarter, driven by continued enthusiasm for generative artificial intelligence, stronger-than-expected earnings and consumer spending, and dovish sentiment of central banks. The investment team believes this environment, characterised by a wide range of outcomes, creates opportunity for stock picking, especially given its long-term investment horizon.

The fixed income team maintains a slightly procyclical stance. Geopolitical instability remains the greatest source of concern. The team notes that recent employment and inflation data challenges the interest rate projections set out by the Fed earlier this year.

## ESG Engagement

Diamondback Energy, a US-based independent oil and natural gas company, was added to the portfolio as a new position at the end of last year. The fundamental thesis is based on improving structural dynamics. From an ESG perspective, Diamondback is similar to many other energy producers, however Wellington has recently observed notable behavioural shifts on key environmental issues.

During the first quarter, Wellington engaged with senior management at Diamondback on several occasions. Diamondback reasserted its commitment to zero routine flaring<sup>5</sup> by 2025 and management incentives are now directly aligned with this objective. Other methane-related investments include joining the Oil & Gas Methane Partnership, a global initiative aimed at helping companies systematically report and reduce methane emissions, citing engagements with Wellington as a catalyst for participation.

Please refer to our quarterly engagement factsheet for more detail about Wellington's engagement activities.

<sup>5</sup>The established practice of wastefully burning, rather than using or conserving, associated gas, a by-product of oil production.

# Vanguard SustainableLife 40-50% Equity Fund

## Key fund facts (as at 31 March 2024)

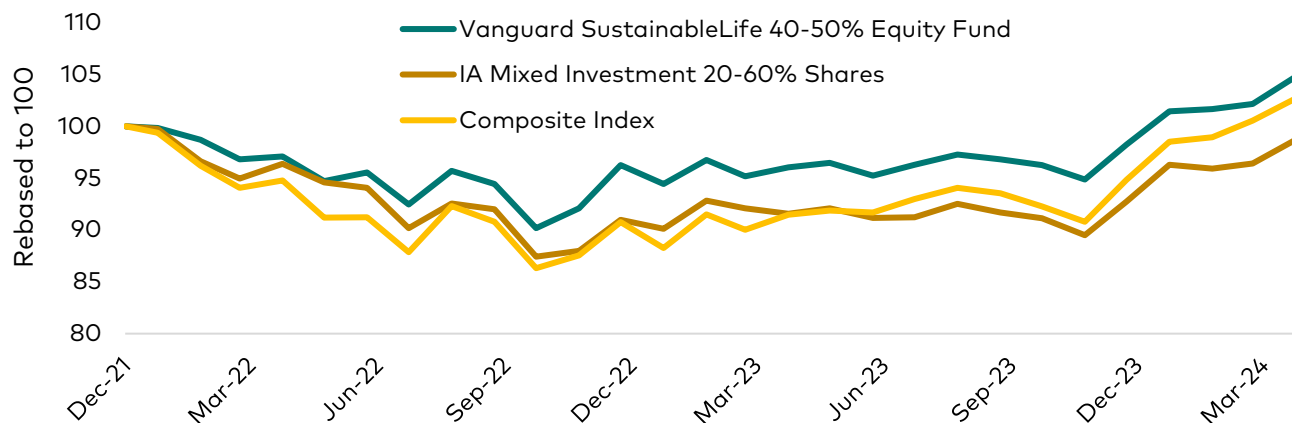
**Investment manager:** Wellington Management Company LLP  
**Target weighting:** Equities 45%; Bonds 55%  
**Domicile:** United Kingdom  
**Benchmark:** Composite Index

**Inception date:** 8 December 2021  
**Ongoing charges figure<sup>1</sup>:** 0.48%  
**Fund AUM:** GBP 82m  
**ISIN:** GB00BMCQRZ38

## Top 10 fund holdings (% exposure, as at 31 March 2024)

| Company              | %   |
|----------------------|-----|
| AstraZeneca plc      | 1.1 |
| Microsoft Corp.      | 1.1 |
| TotalEnergies SE     | 1.1 |
| Cisco Systems Inc.   | 1.0 |
| Johnson & Johnson    | 1.0 |
| Chubb Ltd.           | 1.0 |
| Novartis AG          | 1.0 |
| Merck & Co. Inc.     | 0.9 |
| American Express Co. | 0.9 |
| JPMorgan Chase & Co. | 0.9 |

## Fund performance (Cumulative % growth, GBP, 8 Dec 2021 to 31 March 2024)



| Cumulative (%) | YTD  | 3 month | 1 year | 3 yr (ann.) | 5 yr (ann.) | Since inception (ann.) |
|----------------|------|---------|--------|-------------|-------------|------------------------|
| Fund           | 3.28 | 3.28    | 9.11   | --          | --          | 2.04                   |
| Peer group     | 2.51 | 2.51    | 7.80   | 1.39        | 3.05        | -0.56                  |
| Benchmark      | 4.23 | 4.23    | 12.28  | 3.93        | 6.08        | 1.16                   |

| Year on year (%) | 1-Apr-14 to 31-Mar-15 | 1-Apr-15 to 31-Mar-16 | 1-Apr-16 to 31-Mar-17 | 1-Apr-17 to 31-Mar-18 | 1-Apr-18 to 31-Mar-19 | 1-Apr-19 to 31-Mar-20 | 1-Apr-20 to 31-Mar-21 | 1-Apr-21 to 31-Mar-22 | 1-Apr-22 to 31-Mar-23 | 1-Apr-23 to 31-Mar-24 |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fund             | --                    | --                    | --                    | --                    | --                    | --                    | --                    | --                    | -1.08                 | 9.11                  |
| Peer group       | 8.78                  | -2.12                 | 13.05                 | 0.83                  | 2.89                  | -7.14                 | 20.05                 | 1.79                  | -5.00                 | 7.80                  |
| Benchmark        | --                    | --                    | 15.20                 | 1.81                  | 7.11                  | -0.36                 | 20.11                 | 3.60                  | -3.49                 | 12.28                 |

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

Peer group is IA Mixed Investment 20-60% Shares. Performance figures include the reinvestment of all dividends and any capital gains distributions. Basis of fund performance is NAV to NAV. Basis of index performance is total return. All performance is calculated in GBP, net of fees.

Benchmark is a 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.

Source: Vanguard and Morningstar, as at 31 March 2024. <sup>1</sup>The Ongoing Charges Figure (OCF) covers the fund manager's costs of managing the fund. It does not include dealing costs or additional costs such as audit fees.

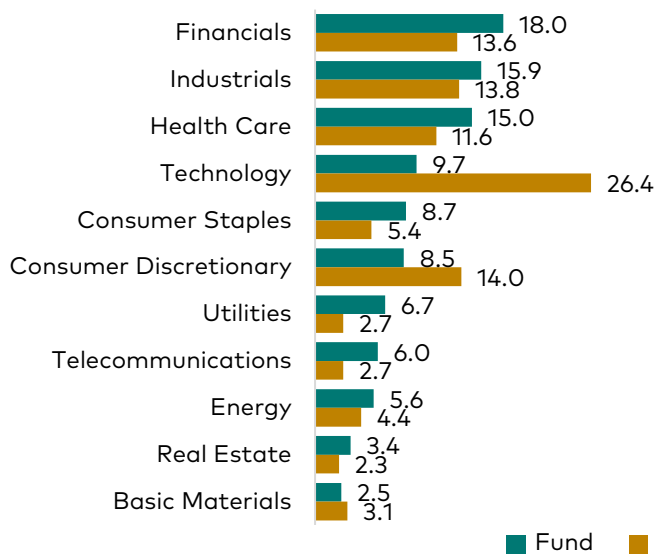
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# Vanguard SustainableLife 40-50% Equity Fund

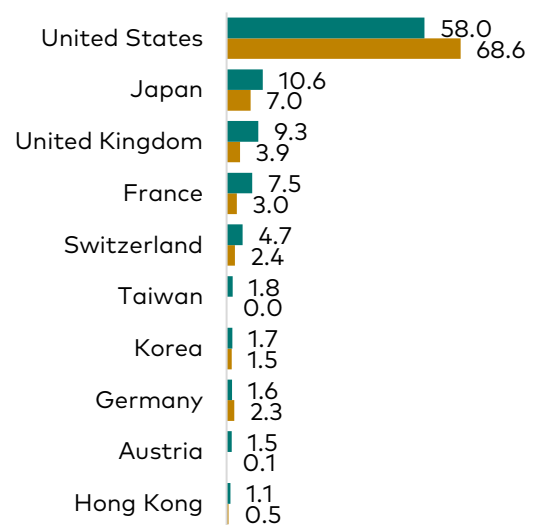
## Equity portfolio (as at 31 March 2024)

| Characteristics         | Fund   | Benchmark |
|-------------------------|--------|-----------|
| Number of stocks        | 82     | 2,080     |
| Median market cap       | £90.5B | £98.8B    |
| PE ratio                | 17.4x  | 21.5x     |
| Equity yield (dividend) | 2.8%   | 1.8%      |

### Sector exposure (%)



### Regional exposure – top 10 regions (%)



## Fixed income portfolio (as at 31 March 2024)

**Average coupon:** 4.2%

**Average maturity:** 8.7 years

**Average quality:** A

### Distribution by issuer (% of bonds)

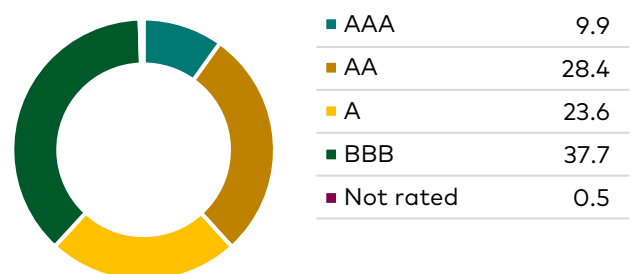
| Characteristics                       | Fund % |
|---------------------------------------|--------|
| Industrial                            | 26.9   |
| Financial institutions                | 23.8   |
| Treasury                              | 18.4   |
| Mortgage Backed Security Pass-through | 9.9    |
| Utility                               | 7.4    |
| Other                                 | 4.9    |
| Sovereign                             | 3.4    |
| Supranational                         | 1.7    |
| Agency                                | 1.3    |
| Local authority                       | 1.3    |
| Asset-backed security                 | 0.9    |
| Commercial mortgage-backed security   | 0.1    |

**Average duration:** 6.0 years

**Turnover rate:** 296.6%

**Number of bonds:** 465

### Distribution by credit quality (% of bonds)



Credit quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Source: Vanguard, as at 31 March 2024.

Benchmark is a 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.

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# Vanguard SustainableLife 40-50% Equity Fund

## Performance analysis

### Top contributors 3-month (%)

| Company name                                       | Portfolio weight | Bench weight | 3-month return | Total effect |
|--|------------------|--------------|----------------|--------------|
| Apple Inc.   | 0.0              | 3.8          | -10.0          | 0.9          |
| Tesla Inc.   | 0.0              | 0.7          | -28.6          | 0.4          |
| Daimler Truck Holding AG                           | 1.3              | 0.0          | 36.2           | 0.3          |
| Mitsubishi Estate Co                               | 1.4              | 0.0          | 35.7           | 0.3          |
| Taiwan Semiconductor Manufacturing Company Limited | 1.4              | 0.0          | 32.4           | 0.3          |

### Top detractors 3-month (%)

| Company name        | Portfolio weight | Bench weight | 3-month return | Total effect |
|---------------------|------------------|--------------|----------------|--------------|
| NVIDIA Corporation  | 0.0              | 3.2          | 84.1           | -1.4         |
| AIA Group Limited   | 1.1              | 0.1          | -22.2          | -0.4         |
| Meta Platforms Inc. | 0.0              | 1.6          | 38.5           | -0.4         |
| Arkema S.A.         | 1.4              | 0.0          | -6.6           | -0.3         |
| Amazon.com Inc.     | 0.0              | 2.5          | 19.8           | -0.2         |

### Top contributors 12-month (%)

| Company name                        | Portfolio weight | Bench weight | 12-month return | Total effect |
|-------------------------------------|------------------|--------------|-----------------|--------------|
| Apple Inc.                          | 0.0              | 3.8          | 2.2             | 0.9          |
| Mitsubishi UFJ Financial Group Inc. | 1.1              | 0.2          | 62.7            | 0.6          |
| Tokio Marine Holdings Inc.          | 1.6              | 0.1          | 63.7            | 0.5          |
| Tesla Inc.                          | 0.0              | 0.7          | -17.1           | 0.4          |
| Mitsubishi Estate Co                | 1.4              | 0.0          | 54.7            | 0.4          |

### Top detractors 12-month (%)

| Company name               | Portfolio weight | Bench weight | 12-month return | Total effect |
|----------------------------|------------------|--------------|-----------------|--------------|
| NVIDIA Corporation         | 0.0              | 3.2          | 218.5           | -2.4         |
| Amazon.com Inc.            | 0.0              | 2.5          | 70.9            | -0.9         |
| AIA Group Limited          | 1.1              | 0.1          | -36.3           | -0.9         |
| Meta Platforms Inc.        | 0.0              | 1.6          | 124.4           | -0.9         |
| United Parcel Service Inc. | 1.6              | 0.2          | -21.8           | -0.8         |

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

The portfolio attribution data shown above is provided by FactSet based on information provided by Vanguard about the fund's daily portfolio holdings as of the market close. Because the fund buys and sells stocks throughout the trading day and not necessarily at the market close, the attribution data shown above is an estimate and may not precisely reflect actual attribution information.

Source: FactSet, as at 31 March 2024. FactSet is a holdings-based attribution tool. Portfolio transactions are valued at closing price, which may cause some slight deviations with the fund return (based on NAV).

Benchmark is a 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.

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# Vanguard SustainableLife 60-70% Equity Fund

## Key fund facts (as at 31 March 2024)

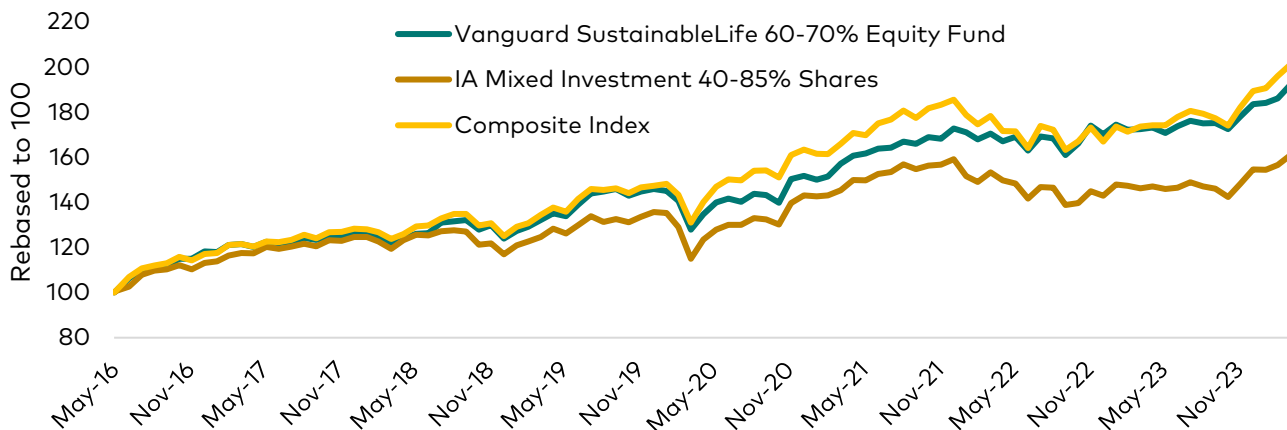
**Investment manager:** Wellington Management Company LLP  
**Target weighting:** Equities 65%; Bonds 35%  
**Domicile:** United Kingdom  
**Benchmark:** Composite Index

**Inception date:** 25 May 2016  
**Ongoing charges figure<sup>1</sup>:** 0.48%  
**Fund AUM:** GBP 873m  
**ISIN:** GB00BZ830054

## Top 10 fund holdings (% exposure, as at 31 March 2024)

| Company              | %   |
|----------------------|-----|
| AstraZeneca plc      | 1.6 |
| Microsoft Corp.      | 1.6 |
| TotalEnergies SE     | 1.5 |
| Cisco Systems Inc.   | 1.5 |
| Johnson & Johnson    | 1.5 |
| Chubb Ltd.           | 1.5 |
| Novartis AG          | 1.5 |
| Merck & Co. Inc.     | 1.4 |
| American Express Co. | 1.4 |
| JPMorgan Chase & Co. | 1.3 |

## Fund performance (Cumulative % growth, GBP, 25 May 2016 to 31 March 2024)



| Cumulative (%) | YTD  | 3 month | 1 year | 3 yr (ann.) | 5 yr (ann.) | Since inception (ann.) |
|----------------|------|---------|--------|-------------|-------------|------------------------|
| Fund           | 4.68 | 4.68    | 11.42  | 6.93        | 7.77        | 8.68                   |
| Peer group     | 4.14 | 4.14    | 10.11  | 3.44        | 5.25        | 6.25                   |
| Benchmark      | 6.21 | 6.21    | 15.83  | 6.61        | 8.38        | 9.31                   |

| Year on year (%) | 1-Apr-14 to 31-Mar-15 | 1-Apr-15 to 31-Mar-16 | 1-Apr-16 to 31-Mar-17 | 1-Apr-17 to 31-Mar-18 | 1-Apr-18 to 31-Mar-19 | 1-Apr-19 to 31-Mar-20 | 1-Apr-20 to 31-Mar-21 | 1-Apr-21 to 31-Mar-22 | 1-Apr-22 to 31-Mar-23 | 1-Apr-23 to 31-Mar-24 |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fund             | --                    | --                    | --                    | 0.28                  | 8.54                  | -3.27                 | 22.90                 | 8.47                  | 1.17                  | 11.42                 |
| Peer group       | 10.71                 | -2.72                 | 17.48                 | 1.63                  | 4.36                  | -7.73                 | 26.47                 | 5.38                  | -4.62                 | 10.11                 |
| Benchmark        | --                    | --                    | 21.21                 | 1.82                  | 8.71                  | -2.60                 | 26.71                 | 7.47                  | -2.66                 | 15.83                 |

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

Peer group is IA Mixed Investment 40-85% Shares. Performance figures include the reinvestment of all dividends and any capital gains distributions. Basis of fund performance is NAV to NAV. Basis of index performance is total return. All performance is calculated in GBP, net of fees.

Benchmark is a 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.

Source: Vanguard and Morningstar, as at 31 March 2024.

<sup>1</sup>The Ongoing Charges Figure (OCF) covers the fund manager's costs of managing the fund. It does not include dealing costs or additional costs such as audit fees.

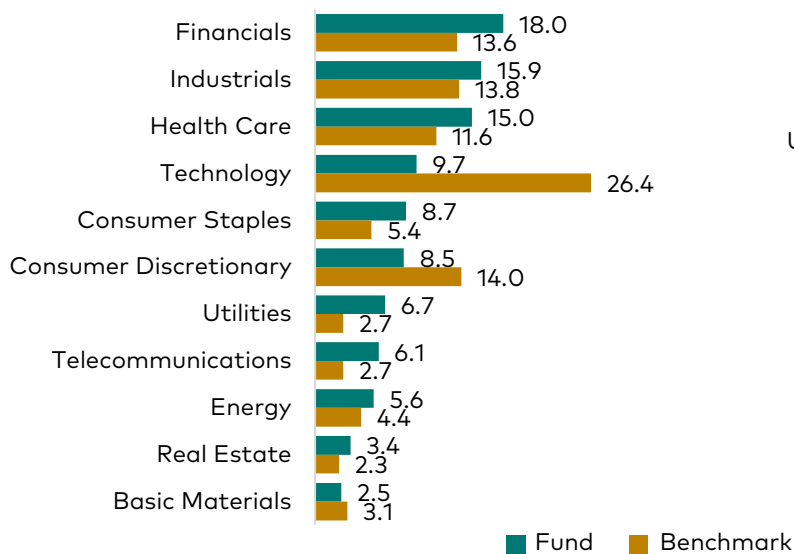
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# Vanguard SustainableLife 60-70% Equity Fund

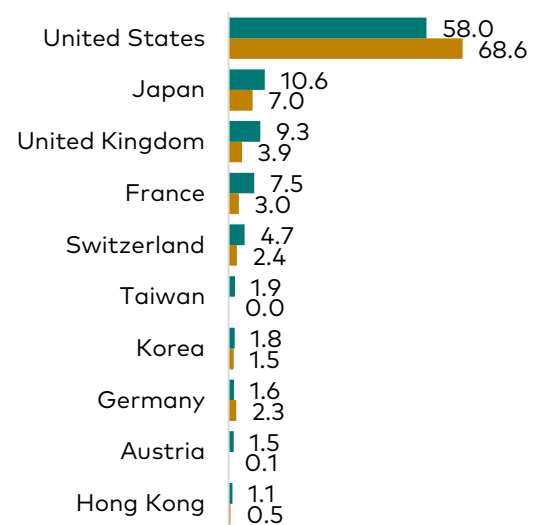
## Equity portfolio (as at 31 March 2024)

| Characteristics         | Fund   | Benchmark |
|-------------------------|--------|-----------|
| Number of stocks        | 80     | 2,080     |
| Median market cap       | £90.5B | £98.8B    |
| PE ratio                | 17.4x  | 21.5x     |
| Equity yield (dividend) | 2.8%   | 1.8%      |

### Sector exposure (%)



### Regional exposure – top 10 regions (%)



## Fixed income portfolio (as at 31 March 2024)

**Average coupon:** 4.2%

**Average maturity:** 8.8 years

**Average quality:** A

### Distribution by issuer (% of bonds)

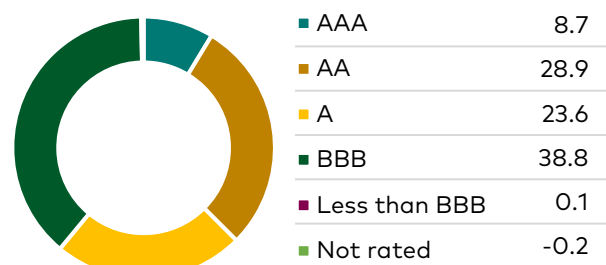
| Characteristics                       | Fund % |
|---------------------------------------|--------|
| Industrial                            | 27.3   |
| Financial institutions                | 25.3   |
| Treasury                              | 17.5   |
| Mortgage Backed Security Pass-through | 10.0   |
| Utility                               | 6.8    |
| Other                                 | 4.6    |
| Sovereign                             | 3.3    |
| Supranational                         | 1.9    |
| Local authority                       | 1.4    |
| Asset-backed security                 | 0.9    |
| Agency                                | 0.8    |
| Commercial mortgage-backed security   | 0.2    |

**Average duration:** 6.0 years

**Turnover rate:** 212.6%

**Number of bonds:** 576

### Distribution by credit quality (% of bonds)



Credit quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Source: Vanguard, as at 31 March 2024.

Benchmark is a 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.

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# Vanguard SustainableLife 60-70% Equity Fund

## Performance analysis

### Top contributors 3-month (%)

| Company name                                       | Portfolio weight | Bench weight | 3-month return | Total effect |
|--|------------------|--------------|----------------|--------------|
| Apple Inc.   | 0.0              | 3.8          | -10.0          | 0.9          |
| Tesla Inc.   | 0.0              | 0.7          | -28.6          | 0.4          |
| Daimler Truck Holding AG                           | 1.3              | 0.0          | 36.2           | 0.3          |
| Taiwan Semiconductor Manufacturing Company Limited | 1.9              | 0.0          | 27.7           | 0.3          |
| Mitsubishi Estate Co                               | 1.4              | 0.0          | 35.7           | 0.3          |

### Top detractors 3-month (%)

| Company name        | Portfolio weight | Bench weight | 3-month return | Total effect |
|---------------------|------------------|--------------|----------------|--------------|
| NVIDIA Corporation  | 0.0              | 3.2          | 84.1           | -1.4         |
| AIA Group Limited   | 1.1              | 0.1          | -22.2          | -0.4         |
| Meta Platforms Inc. | 0.0              | 1.6          | 38.5           | -0.4         |
| Arkema S.A.         | 1.4              | 0.0          | -6.6           | -0.3         |
| Amazon.com Inc.     | 0.0              | 2.5          | 19.8           | -0.2         |

### Top contributors 12-month (%)

| Company name                        | Portfolio weight | Bench weight | 12-month return | Total effect |
|-------------------------------------|------------------|--------------|-----------------|--------------|
| Apple Inc.                          | 0.0              | 3.8          | 2.2             | 0.9          |
| Mitsubishi UFJ Financial Group Inc. | 1.1              | 0.2          | 62.7            | 0.6          |
| Tokio Marine Holdings Inc.          | 1.6              | 0.1          | 63.7            | 0.5          |
| Mitsubishi Estate Co                | 1.4              | 0.0          | 54.7            | 0.4          |
| Tesla Inc.                          | 0.0              | 0.7          | -17.1           | 0.4          |

### Top detractors 12-month (%)

| Company name        | Portfolio weight | Bench weight | 12-month return | Total effect |
|---------------------|------------------|--------------|-----------------|--------------|
| NVIDIA Corporation  | 0.0              | 3.2          | 218.5           | -2.4         |
| Meta Platforms Inc. | 0.0              | 1.6          | 124.4           | -0.9         |
| AIA Group Limited   | 1.1              | 0.1          | -36.3           | -0.9         |
| Amazon.com Inc.     | 0.0              | 2.5          | 70.9            | -0.8         |
| Nokia Oyj           | 1.1              | 0.0          | -26.6           | -0.8         |

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

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Source: FactSet, as at 31 March 2024. FactSet is a holdings-based attribution tool. Portfolio transactions are valued at closing price, which may cause some slight deviations with the fund return (based on NAV).

Benchmark is a 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.

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# Vanguard SustainableLife 80-90% Equity Fund

## Key fund facts (as at 31 March 2024)

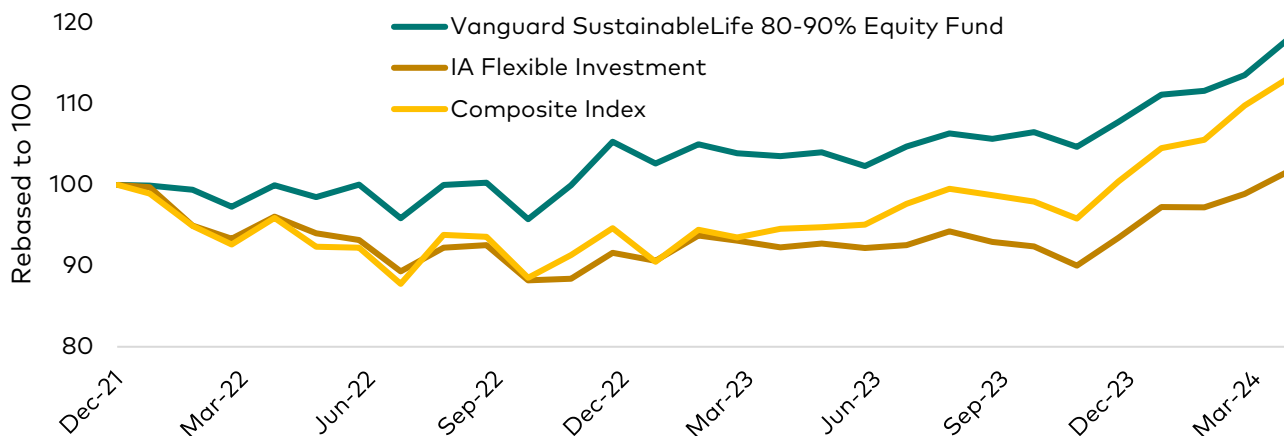
**Investment manager:** Wellington Management Company LLP  
**Target weighting:** Equities 85%; Bonds 15%  
**Domicile:** United Kingdom  
**Benchmark:** Composite Index

**Inception date:** 8 December 2021  
**Ongoing charges figure<sup>1</sup>:** 0.48%  
**Fund AUM:** GBP 120m  
**ISIN:** GB00BMCQS161

## Top 10 fund holdings (% exposure, as at 31 March 2024)

| Company              | %   |
|----------------------|-----|
| AstraZeneca plc      | 2.1 |
| Microsoft Corp.      | 2.1 |
| TotalEnergies SE     | 2.0 |
| Cisco Systems Inc.   | 2.0 |
| Chubb Ltd.           | 1.9 |
| Johnson & Johnson    | 1.9 |
| Novartis AG          | 1.9 |
| Merck & Co. Inc.     | 1.8 |
| American Express Co. | 1.8 |
| JPMorgan Chase & Co. | 1.7 |

## Fund performance (Cumulative % growth, GBP, 8 Dec 2021 to 31 March 2024)



| Cumulative (%) | YTD  | 3 month | 1 year | 3 yr (ann.) | 5 yr (ann.) | Since inception (ann.) |
|----------------|------|---------|--------|-------------|-------------|------------------------|
| Fund           | 6.12 | 6.12    | 13.91  | --          | --          | 7.40                   |
| Peer group     | 4.48 | 4.48    | 10.09  | 3.54        | 5.72        | 0.69                   |
| Benchmark      | 8.18 | 8.18    | 19.60  | 9.56        | 11.04       | 5.47                   |

| Year on year (%) | 1-Apr-14 to 31-Mar-15 | 1-Apr-15 to 31-Mar-16 | 1-Apr-16 to 31-Mar-17 | 1-Apr-17 to 31-Mar-18 | 1-Apr-18 to 31-Mar-19 | 1-Apr-19 to 31-Mar-20 | 1-Apr-20 to 31-Mar-21 | 1-Apr-21 to 31-Mar-22 | 1-Apr-22 to 31-Mar-23 | 1-Apr-23 to 31-Mar-24 |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fund             | --                    | --                    | --                    | --                    | --                    | --                    | --                    | --                    | 3.61                  | 13.91                 |
| Peer group       | 11.39                 | -3.94                 | 19.15                 | 2.34                  | 3.34                  | -8.05                 | 29.36                 | 5.00                  | -3.96                 | 10.09                 |
| Benchmark        | --                    | --                    | 27.61                 | 1.98                  | 10.34                 | -4.05                 | 33.77                 | 11.54                 | -1.43                 | 19.60                 |

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

Peer group is IA Flexible Investment. Performance figures include the reinvestment of all dividends and any capital gains distributions. Basis of fund performance is NAV to NAV. Basis of index performance is total return. All performance is calculated in GBP, net of fees.

Benchmark is a 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.

Source: Vanguard and Morningstar, as at 31 March 2024.

<sup>1</sup>The Ongoing Charges Figure (OCF) covers the fund manager's costs of managing the fund. It does not include dealing costs or additional costs such as audit fees.

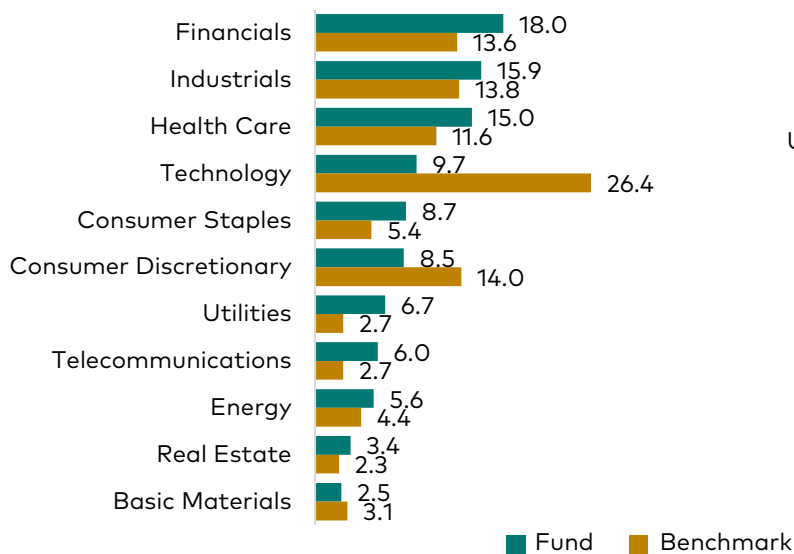
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# Vanguard SustainableLife 80-90% Equity Fund

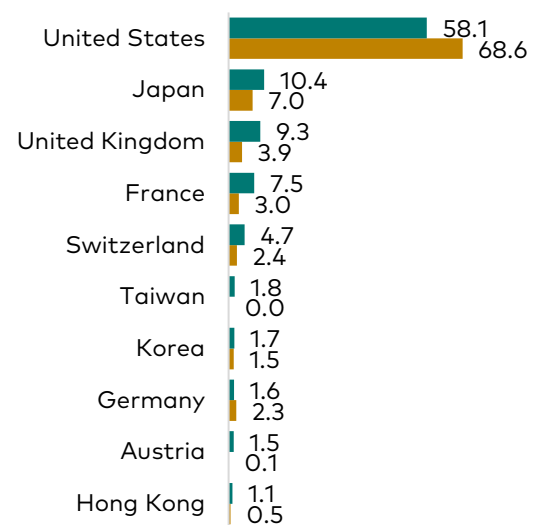
## Equity portfolio (as at 31 March 2024)

| Characteristics         | Fund   | Benchmark |
|-------------------------|--------|-----------|
| Number of stocks        | 82     | 2,080     |
| Median market cap       | £91.6B | £98.8B    |
| PE ratio                | 17.4x  | 21.5x     |
| Equity yield (dividend) | 2.8%   | 1.8%      |

### Sector exposure (%)



### Regional exposure – top 10 regions (%)



## Fixed income portfolio (as at 31 March 2024)

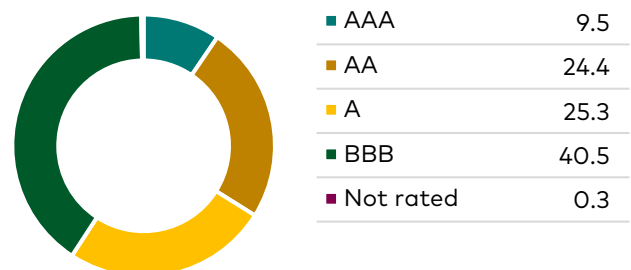
**Average coupon:** 4.1%  
**Average maturity:** 8.7 years  
**Average quality:** A

**Average duration:** 6.0 years  
**Turnover rate:** 109.5%  
**Number of bonds:** 341

### Distribution by issuer (% of bonds)

| Characteristics                       | Fund % |
|---------------------------------------|--------|
| Industrial                            | 30.4   |
| Financial institutions                | 22.1   |
| Treasury                              | 12.6   |
| Mortgage Backed Security Pass-through | 9.5    |
| Utility                               | 8.2    |
| Other                                 | 6.7    |
| Sovereign                             | 4.2    |
| Local authority                       | 2.0    |
| Supranational                         | 1.7    |
| Asset-backed security                 | 1.3    |
| Agency                                | 1.2    |
| Commercial mortgage-backed security   | 0.3    |

### Distribution by credit quality (% of bonds)



Credit quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Source: Vanguard, as at 31 March 2024.

Benchmark is a 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.

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# Vanguard SustainableLife 80-90% Equity Fund

## Performance analysis

### Top contributors 3-month (%)

| Company name               | Portfolio weight | Bench weight | 3-month return | Total effect |
|----------------------------|------------------|--------------|----------------|--------------|
| Apple Inc.                 | 0.0              | 3.8          | -10.0          | 0.9          |
| Tesla Inc.                 | 0.0              | 0.7          | -28.6          | 0.4          |
| Daimler Truck Holding AG   | 1.3              | 0.0          | 36.2           | 0.3          |
| Mitsubishi Estate Co       | 1.4              | 0.0          | 35.7           | 0.3          |
| Tokio Marine Holdings Inc. | 1.6              | 0.1          | 26.9           | 0.2          |

### Top detractors 3-month (%)

| Company name        | Portfolio weight | Bench weight | 3-month return | Total effect |
|---------------------|------------------|--------------|----------------|--------------|
| NVIDIA Corporation  | 0.0              | 3.2          | 84.1           | -1.4         |
| AIA Group Limited   | 1.1              | 0.1          | -22.2          | -0.4         |
| Meta Platforms Inc. | 0.0              | 1.6          | 38.5           | -0.4         |
| Arkema S.A.         | 1.5              | 0.0          | -6.6           | -0.3         |
| Amazon.com Inc.     | 0.0              | 2.5          | 19.8           | -0.2         |

### Top contributors 12-month (%)

| Company name                        | Portfolio weight | Bench weight | 12-month return | Total effect |
|-------------------------------------|------------------|--------------|-----------------|--------------|
| Apple Inc.                          | 0.0              | 3.8          | 2.2             | 0.8          |
| Mitsubishi UFJ Financial Group Inc. | 1.1              | 0.2          | 62.7            | 0.6          |
| Tokio Marine Holdings Inc.          | 1.6              | 0.1          | 63.7            | 0.5          |
| Tesla Inc.                          | 0.0              | 0.7          | -17.1           | 0.4          |
| Mitsubishi Estate Co                | 1.4              | 0.0          | 54.7            | 0.3          |

### Top detractors 12-month (%)

| Company name        | Portfolio weight | Bench weight | 12-month return | Total effect |
|---------------------|------------------|--------------|-----------------|--------------|
| NVIDIA Corporation  | 0.0              | 3.2          | 218.5           | -2.4         |
| Meta Platforms Inc. | 0.0              | 1.6          | 124.4           | -0.9         |
| AIA Group Limited   | 1.1              | 0.1          | -36.3           | -0.9         |
| Nokia Oyj           | 1.1              | 0.0          | -26.6           | -0.8         |
| Amazon.com Inc.     | 0.0              | 2.5          | 70.9            | -0.8         |

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

The portfolio attribution data shown above is provided by FactSet based on information provided by Vanguard about the fund's daily portfolio holdings as of the market close. Because the fund buys and sells stocks throughout the trading day and not necessarily at the market close, the attribution data shown above is an estimate and may not precisely reflect actual attribution information.

Source: FactSet, as at 31 March 2024. FactSet is a holdings-based attribution tool. Portfolio transactions are valued at closing price, which may cause some slight deviations with the fund return (based on NAV).

Benchmark is a 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.

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## 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.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only.

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.

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

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

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

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