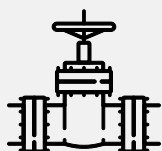


Case Study

VANGUARD GLOBAL EQUITY INCOME FUND



Duke Energy

One of the largest US based electric power and natural gas utility holding companies.

Vanguard Global Equity Income Fund is an active fund, co-managed by Vanguard Quantitative Equity Group and Wellington Management. It is designed for investors who want to generate long-term growth from their investments. The fund aims to achieve this by investing primarily in shares of companies which tend to pay out a larger amount of money as income (gross of fees).

First bought

Since inception, November 2022.

What is it?

Duke Energy Corp is one of America's largest energy holding companies. It operates regulated electric and natural gas utilities that service nearly 10 million customers¹ in the Carolinas, Florida and the Midwest.

Why does Wellington own it?

Wellington thinks Duke is well-positioned to benefit from electrification trends and its investments in renewables, which are expected to drive solid regulated asset and earnings growth. The company

has reaffirmed its commitment to investing in renewables, battery storage, energy efficiency programs, and grid projects with the aim of delivering cleaner energy and economic growth. Wellington believes regulatory clarity in its Carolina markets support capital deployment at attractive return levels.

Competitive advantage – strong markets

Duke Energy Corporation is favourably positioned in what Wellington believes will be a long upcycle of electrification, aided by population growth and more manufacturing capacity being added in the southeast, their dominant region. Duke has adeptly navigated the regulatory landscape to secure modernised constructs that benefit both the company and its customers. Wellington is supportive that the company's improving capital expenditure visibility due to decarbonisation plans in North Carolina should support the acceleration of its regulated asset base. For example, 2,700MW of battery storage in service by 2031 and 5,800MW of natural gas in service by 2032².

Key points for Duke Energy²

- Energy transition offers the potential for long term improved growth outlook with solid returns for the company.
- Wellington believes an attractive dividend yield, with long-term dividend growth commitment, and 5-7% long-term EPS growth through 2027 is supportive of Duke's long-term proposition.
- Growing \$65 billion 5-year capital plan focused on regulated transmission and distribution, and generation investments to target approx. 7% earnings base growth.
- Retirement of coal generation assets to sharply lower carbon emissions, supportive of Duke's aggressive clean energy transition goals.

¹ Source: Duke Energy Corporation, as of 1 April 2023.

² Source: Duke Energy Investor Update, Fall 2023.

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.

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

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

Important information

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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