

Vanguard®

Vanguard LifeStrategy® 40% Equity MPS Global

Quarterly report

30 September 2025



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Market commentary

Vanguard LifeStrategy® 40% Equity MPS Global

As at 30 September 2025

Highlights

- | | | |
|--|---|--|
| <p>1</p> <p>UK economic growth slowed during the quarter.</p> | <p>2</p> <p>Euro area inflation remained around the ECB's 2% target.</p> | <p>3</p> <p>The US economy lost momentum as jobs growth slowed.</p> |
|--|---|--|

As some global uncertainties faded in the third quarter, major economies continued to diverge. US economic activity improved, while it softened in the euro area and the UK. Inflation remained at target levels in the euro area but was elevated in the United Kingdom and United States.

In the UK, the economy grew by 0.3% (quarter-on-quarter) in Q2, weaker than the 0.7% recorded during Q1. Survey data suggested a further moderation of growth in Q3. Employment data also showed signs of cooling, with the unemployment rate rising to 4.7%. The headline Consumer Price Index (CPI) remained elevated at 3.8% in August, up from 3.6% in June. Annual core CPI, which excludes volatile energy and food components, fell from 3.7% to 3.6% over the same period. The BoE eased interest rates from 4.25% to 4.00% in August.

In the euro area, economic activity expanded by 0.1% in Q2. This reflected a sharp slowdown from the 0.6% growth in Q1, when the economy was boosted by front-loaded trade

ahead of US tariffs. Forward-looking economic indicators for the third quarter suggested a similarly lacklustre pace of growth to that seen in Q2. Inflation continued to hover around the ECB's 2% target, with annual headline and core CPI averaging 2.1% and 2.3% over the quarter, respectively. With growth steady and inflation benign, the ECB decided to keep its policy rate unchanged at 2.00%.

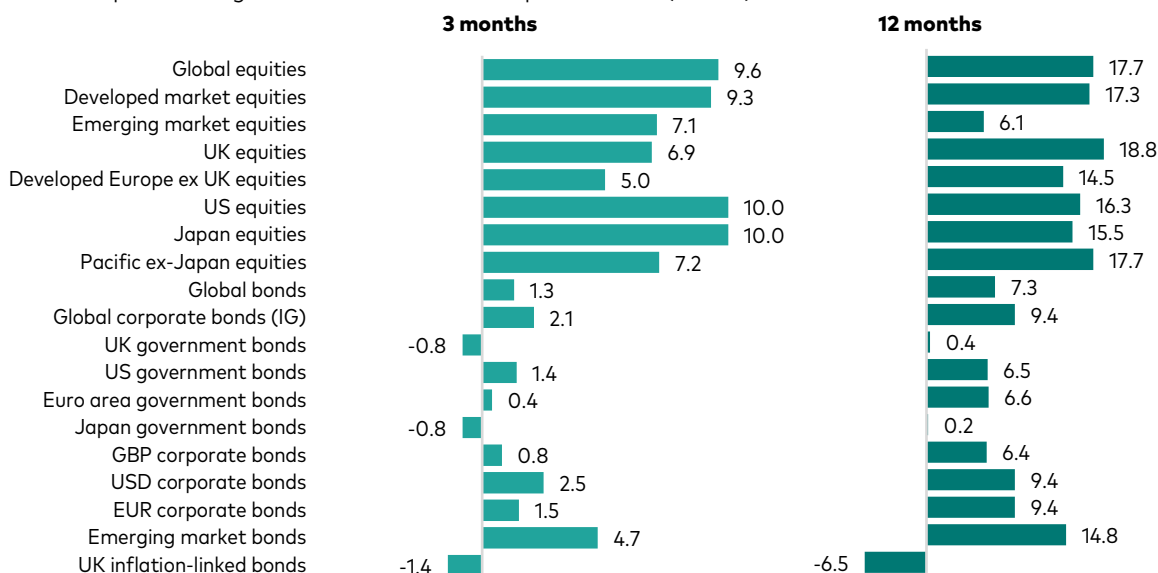
US economic activity rebounded in Q2, expanding by 3.8% (quarter-on-quarter, annualised), after contracting by 0.2% in Q1. However, jobs growth has cooled rapidly, suggesting that the economy lost momentum over Q3. Tariffs had only a slight impact on prices, with the Fed's preferred inflation measure, the annual Core Personal Consumption Expenditures (PCE) Index, edging up from 2.8% in June to 2.9% in August. Meanwhile, headline PCE increased from 2.6% to 2.7% over the same period. Faced with a weakening labour market, the Fed opted to ease interest rates at its September meeting to 4.00%.

Source: Vanguard and Bloomberg, as at 1 October 2025.

Regional market performance

Equity and bond market total returns: 3 months and 12 months to 30 September 2025 (%).

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 30 September 2025. Total returns in GBP. Indices used: FTSE All World Net Tax TR GBP; FTSE Developed Index - Net Tax TR GBP; FTSE E/N Emerging Markets Net TRI GBP; FTSE All-Share Index Total Return; FTSE Developed Europe ex UK Net Tax GBP Index; S&P 500 GBP Net Total Return Index; MSCI Japan Net Total Return GBP Index; MSCI Pacific ex Japan Net Total Return GBP Index; Bloomberg Global Aggregate Float-Adjusted and Scaled; Bloomberg Global Agg Float Adjusted Corp TR Index Value Hedged GBP; Bloomberg GA GBP Govt Float Adj Total Return Index Value Unhedged GBP; Bloomberg GA USD Govt Float Adj Total Return Index Value Hedged GBP; Bloomberg GA EUR Govt Float Adj Total Return Index Value Hedged GBP; Bloomberg Japan Government Float Adjusted Bond TR Hedged GBP; Bloomberg Sterling Aggregate: Corporate Total Return Index Hedged GBP; Bloomberg Global Agg Corp - United States Dollar TR Index Hedged GBP; Bloomberg Euro Aggregate Corporate Total Return Index Value Hedged GBP; J.P. Morgan EMBI Global Diversified Hedged GBP; Bloomberg UK Gvt ILB Float Adjusted Total Return Index Unhedged GBP.

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Portfolio commentary

Vanguard LifeStrategy® 40% Equity MPS Global

As at 30 September 2025

Highlights

- 1** The LifeStrategy 40% Equity MPS Global Portfolio recorded a return of 4.42%.
- 2** Emerging markets and US equities led global equity gains.
- 3** US investment grade credit outperformed government bond markets.

The LifeStrategy 40% Equity MPS Global Portfolio recorded a return of 4.42% in the third quarter of 2025.

The Portfolio's performance was primarily driven by its exposure to US equities, which was the largest single contributor to performance, with emerging markets also adding significant value. Elsewhere, Europe (ex-UK), Japan and UK equities also made a notable positive contribution. Meanwhile, the performance from the Portfolio's bond exposure was mixed. Gains from holding global bonds, US government debt and US investment grade credit helped bonds to generate a positive contribution overall.

In bond markets, US Treasury yields initially rose on inflation worries but later reversed course after the US Federal Reserve (Fed) cut rates in September, as its attention shifted to supporting the labour market. Meanwhile, Euro region bond yields climbed amid a more optimistic economic outlook, helped by easing trade tensions and the prospect of higher German government spending. UK yields also moved higher, with stubborn inflation and fiscal concerns pushing the 30-year gilt yield to a

record high. Moreover, persistently high inflation dampened expectations of an interest rate cut in 2025. In Japan, political pressure to raise public spending weighed on government bonds. Lastly, credit markets performed well, particularly US investment grade bonds, as the cost of corporate debt fell on the back of solid corporate earnings and strong investor demand.

In equities, US stocks posted robust returns, outperforming other developed markets, buoyed by strong corporate earnings and renewed enthusiasm for AI. However, emerging markets led global equity gains overall, driven by progress in trade talks, rising precious metal prices and a weaker US dollar. Japan stocks advanced strongly, supported by continued momentum in corporate structural reforms to improve profitability and expectations of US interest rate cuts. The UK recorded healthy returns, helped by a resilient global economy, easing trade tensions and a weaker sterling boosting FTSE 100 company earnings. Lastly, Europe (ex-UK) equities made solid gains but lagged other major markets.

Performance contribution of underlying Vanguard funds in Q3 2025 (%)

Vanguard LifeStrategy 40% Equity MPS Global



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Source: Vanguard as at 30 September 2025.

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

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Portfolio factsheet

Vanguard LifeStrategy® 40% Equity MPS Global

As at 30 September 2025

Investment objective and policy summary

- The Vanguard LifeStrategy 40% Equity MPS Global Model Portfolio seeks to hold investments that will increase in value through a portfolio comprising approximately 40% equities and 60% fixed income, through a globally diversified allocation with no specific home-bias to the UK or any other country or region.

Performance

Annualised performance*

%, GBP, net of all-in fee, as at 30 September 2025

	YTD	1m	3m	6m	1yr	3yrs	5yrs	10yrs	Since inc.
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LifeStrategy 40% MPS Global	6.10	1.96	4.42	7.28	7.68	8.36	-	-	5.94
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12-month return to:

%, GBP, net of all-in fee

	30 Sep 2021	30 Sep 2022	30 Sep 2023	30 Sep 2024	30 Sep 2025
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LifeStrategy 40% MPS Global	-	-	4.10	13.53	7.68
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Statistics since inception

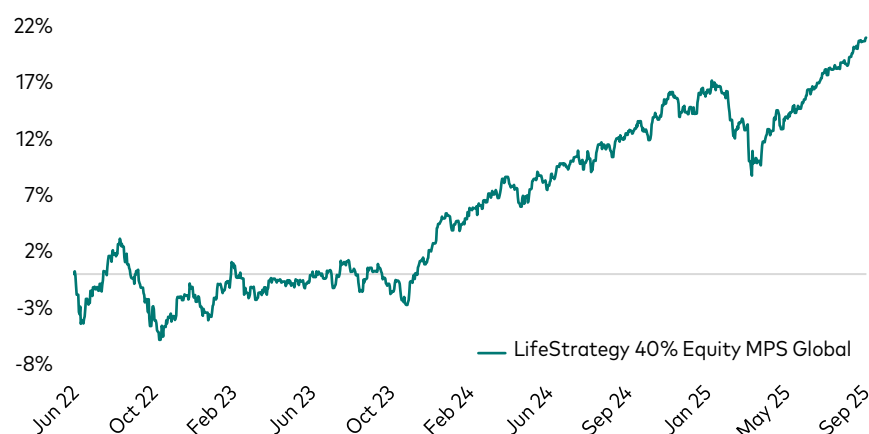
%, GBP, net of all-in fee, as at 30 September 2025

	Cumulative return	Largest annual gain*	Lowest annual performance*	Monthly Volatility
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LifeStrategy 40% MPS Global	21.11	16.26	-4.02	-
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Cumulative performance (since inception)

%, GBP, net of all-in fee, 06 Jun 2022 to 30 Sep 2025



Past performance is not a reliable indicator of future results.

Source: Vanguard

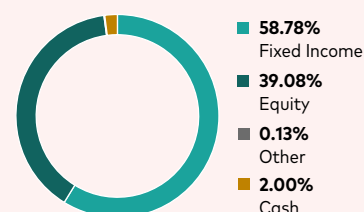
*Figures in the table above for periods less than one year are cumulative returns. All other figures represent annual returns.

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.

*Performance is calculated over a rolling 12-month period.

Portfolio information

Asset allocation



Portfolio facts

Number of holdings	37,029
Domicile	UK
UK Reporting Status ¹	Yes
Inception date	06/06/2022
Use of income	Accumulating

Fees

Ongoing Charges Figure (OCF ²)	0.13%
Annual portfolio charge ³	0.10%
All-in fee ⁴	0.23%

Platform availability

7iM, Abrdn Wrap, Aegon Platform, Aegon Retirement Choices, Aviva, Fidelity Adviser Solutions, Fundment, Nucleus, Quilter, Transact, Wealthtime

Risk ratings⁵

Defaqto	4
Dynamic Planner	4
EValue (1-10, 15 years)	4
Finametrica	41-53
Oxford Risk (of 5)	2
Oxford Risk (of 7)	3
Synaptic (1-5)	3.1
Synaptic (1-10)	5

¹For underlying funds.

²The OCF refers to Ongoing Charges Figures and covers the fund manager's costs of managing the fund. It does not include dealing costs or additional costs such as audit fees.

³The annual portfolio charge covers the discretionary management of the managed portfolio service, ongoing oversight, and regular rebalancing of the portfolios. The portfolio charge is exclusive of VAT and any adviser, platform, or dealing charges.

⁴All-in fee is the summation of the underlying OCFs and the model portfolio annual portfolio charge. It is not inclusive of transaction costs, nor any platform or advisory fees.

⁵Defaqto data as at September 2025; Dynamic Planner data as at Q3 2025; EValue data as at Q3 2025; FinaMetrica data as at 31 March 2025; Oxford Risk data as at July 2025; Synaptic data as at Q3 2025.

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Portfolio factsheet (continued)

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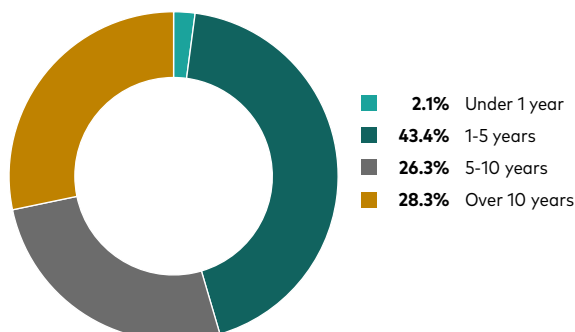
As at 30 September 2025

Breakdowns

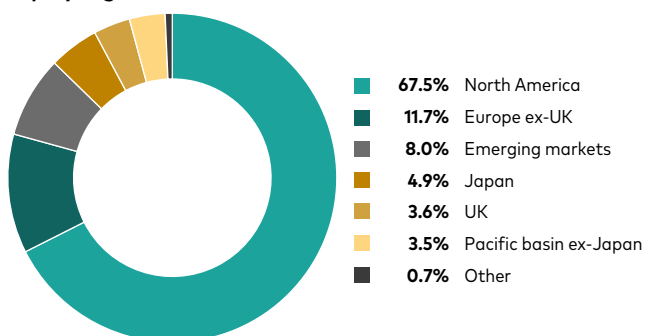
Breakdown of underlying funds

Equity allocation	(%)
Vanguard U.S. Equity Index Fund GBP Acc	26.4
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	4.4
Vanguard Emerging Markets Stock Index Fund GBP Acc	4.0
Vanguard Japan Stock Index Fund GBP Acc	1.9
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	1.6
Vanguard Pacific ex-Japan Stock Index Fund GBP Acc	1.0
Fixed income allocation	
Vanguard Global Bond Index Fund GBP Hedged Acc	29.4
Vanguard U.S. Government Bond Index Fund GBP Hedged Acc	8.4
Vanguard U.S. Investment Grade Credit Index Fund GBP Hedged Acc	7.0
Vanguard Euro Government Bond Index Fund GBP Hedged Acc	6.7
Vanguard Euro Investment Grade Bond Index Fund GBP Hedged Acc	3.8
Vanguard Japan Government Bond Index Fund GBP Hedged Acc	2.1
Vanguard U.K. Government Bond Index Fund GBP Acc	0.8
Vanguard U.K. Investment Grade Bond Index Fund GBP Acc	0.4
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Acc	0.3
Cash	2.0

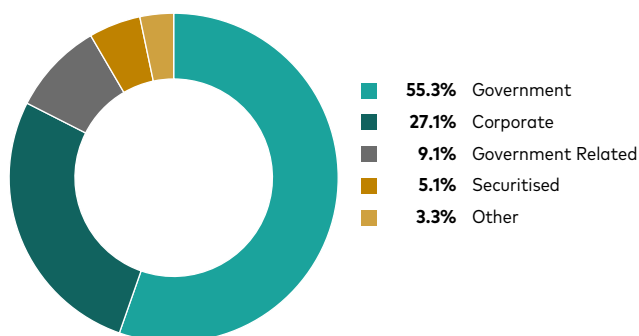
Fixed income maturity breakdown



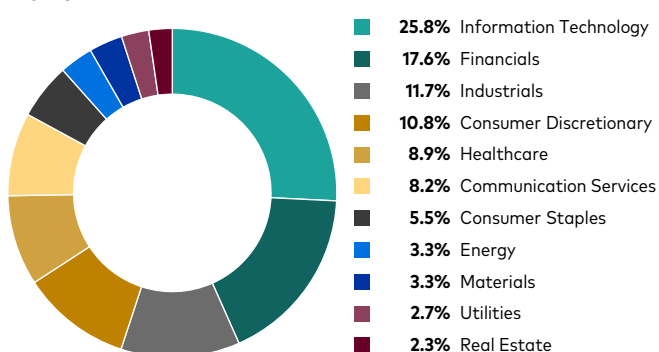
Equity regional breakdown



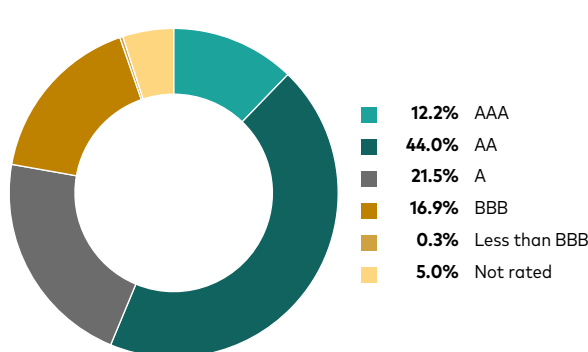
Fixed income issuer breakdown¹



Equity sector breakdown



Fixed income quality breakdown



Source: Vanguard (Data as of 30/09/2025)

¹ Issuer breakdown: Sovereign / Government includes Sovereign, Treasury. Government Related includes Provincials, Municipals, Agencies, Local Authority, Supranational. Corporate includes Financial Institutions, Industrials, Utilities. Securitised includes ABS, CMBS, Mortgage Backed Pass through.

Note: breakdown may not add up to 100% due to rounding.

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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.

Asset-Backed Risk. Investments in asset-backed securities, which are financial instruments backed by pools of assets such as mortgages, car loans, student loans or credit card receivables. The primary risk is borrowers defaulting on their loans, leading to investments losing value.

Credit Risk. This is the risk that a borrower or counterparty will default on their financial obligations, leading to a loss for the lender or investor. It is essentially the risk of not being repaid. Creditworthiness and economic conditions influence credit risk.

Foreign Investment Risk. This includes political risk (changes in government policies or instability), currency risk (foreign currency exchange rates) and economic risk (differences in economic

conditions and policies). All these can affect the value and performance of overseas investments.

Liquidity Risk. This is the risk of not being able to convert an investment into cash without a significant loss. Because the asset is illiquid, it is difficult to sell quickly. This hinders minimizing investment loss. Liquidity risk can be influenced by market conditions and the specific nature of the investment. Examples include real estate, private assets and emerging markets.

Market Risk. This is the potential for loss from market price movements. These include changes in interest rates, stock prices, currency exchange rates and commodity prices.

Model Risk. This is the potential for errors in the model's design, incorrect inputs, or misinterpretation of results.

Specific Product Risks. These are unique risks associated with financial products or instruments, such as derivatives, which carry risk of leverage (small movements in the underlying asset can lead to large gains or losses).

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.

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 the model portfolio risks please see the Understanding the Risks: Vanguard LifeStrategy model portfolio solutions document at https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/understanding_the_risks_mps.pdf as well as the "Risk Factors" section of the prospectus of the underlying funds on our website at <https://global.vanguard.com/>

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For further information on the investment policies and risks of the model portfolio(s), please refer to the prospectus and KIID of the underlying funds before making any final investment decisions. The KIID for each fund is available, alongside the prospectus via Vanguard's website <https://global.vanguard.com/>.

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