

ACTIVE U.K. EQUITY FUND IN A NUTSHELL

LOW-COST ACTIVE EQUITIES

The fund seeks to provide an increase in the value of investments over the long term (more than 5 years).

- **Active difference** – Bringing together two very different management teams, each draws on a powerful, deep-rooted investment culture, ensuring investors benefit from true diversity of thought.
- **Cross-cycle performance** – Combining two different approaches to mid-cap UK investing should help the fund deliver a more consistent level of performance across varying market cycles.
- **Breadth and balance** – The fund's balance of complementary ways of investing produces a diversified portfolio across a wide range of sectors, helping investors to benefit from a wide variety of sources of return.

The fund is managed by two investment firms. Baillie Gifford in Edinburgh seek to identify market leading companies with above average cash flow and earnings growth. Marathon Asset Management look for companies with strong capital discipline in industries with attractive supply and demand dynamics.

Key attributes



Low-cost: 0.45% versus a peer group average of 0.88%*.



Breadth and balance: Diversification through complementary investment approaches.



Investment talent: Managed by Baillie Gifford and Marathon Asset Management.

* Source: Morningstar. Peer group average OCF for IA Sector = UK All Companies as at 6 January 2021.

Please read the risk factors section in the prospectus, available on our website.

About Vanguard

Vanguard has been helping to bring value to investors since 1975, growing into one of the world's largest fund managers along the way. What sets us apart?

- **Client focus** – Vanguard in the US is ultimately owned by its investors. This unique mutual structure aligns our interests with those of our clients.
- **Low-cost investing** – Providing low-cost investments isn't a pricing strategy for us. It's how we do business.
- **Stability and experience** – Our clients benefit from the expertise we've gained over more than 45 years.

Vanguard low-cost active

Active managers aim to deliver excess returns relative to their benchmarks that outweigh the fund's charges. We've made it easier for this equation to work by pricing our active funds competitively.

We leverage our scale and deep capabilities to identify and access both internal and external investment talent globally that might otherwise be out of reach to the average UK investor – all at low cost and with the added benefit of Vanguard's robust oversight and due diligence.

Our active range is founded on three core principles:

- An ongoing commitment to driving down costs
- Unique access to a vast talent pool – both internal and external
- Designed for the long term with clients in mind

Vanguard has a deep history of active management, having managed active funds since our beginning in 1975. Today, Vanguard is one of the largest active managers in the world.

About the managers

Baillie Gifford

Baillie Gifford is one of the UK's largest private investment managers. The firm was founded in 1908 in Edinburgh where it is headquartered to this day. The firm is a private partnership wholly owned by the current partners who all work full time in the business. The partnership structure affords the company significant stability and independence, which means they focus on the best interests of their clients.

Vanguard has been using Baillie Gifford as a sub-adviser since 2003.

Marathon Asset Management

Marathon Asset Management is an independent, privately owned investment management firm based in London.

Founded in 1986, Marathon has successfully applied longer-term and often contrarian strategies in its equity investments around the globe on behalf of its client base.

Vanguard has been using Marathon Asset Management as a sub-adviser since 1995.

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.

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.

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.

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

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For further information on the fund's investment policy, please refer to the Key Investor Information Document ("KIID"). The KIIDs for these funds are available, alongside the prospectus via Vanguard's website <https://global.vanguard.com/>.

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