

Assessment of value report

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Introduction

The Financial Conduct Authority (FCA), the regulator, requires authorised asset managers to make an annual assessment of the value their funds provide to investors, helping customers make more informed decisions. This looks not just at costs in isolation but also their level in the context of the performance of the asset manager's funds and the other benefits provided.

This is the sixth of Vanguard's annual assessment of value (AoV) reports, in which we have concluded that we continued to provide good value to investors in almost all of our UK-domiciled funds in the year to 30 September 2024.

This AoV report aligns with Vanguard's core purpose, which is "to take a stand for all investors, to treat them fairly and to give them the best chance for investment success". We believe the AoV exercise makes it easier for investors to evaluate whether investment managers are providing them with value for money.

In this report, we have reconsidered each of the FCA's seven assessment criteria with equal weighting – performance, general costs of the fund, economies of scale, comparable market rates, comparable services, classes of units and quality of service.

We have maintained the approach of previous years, with the addition of an analysis of fund performance relative to the investment objective of the fund as well as relative to its benchmark and peer group. When considering the ongoing charges figures (OCFs)¹ of our UK funds relative to competitors, we have considered customised Morningstar categories that separate index and active funds in the same category.

Among the highlights are:

- **Charges.** The ongoing charges figures (OCFs) and fees for all our funds are, on average, 73% cheaper than their Morningstar² category average (74% cheaper last year). We achieve this through a disciplined approach to managing costs; by generating economies of scale; and through the
- **Performance.** We monitor the performance of our funds rigorously and regularly at multiple levels to support our ability to deliver good value. All UK funds met their investment objective over the reporting period (and over the longest available period), relative to the asset classes they invest in³. Additionally, the performance of 97% of our funds achieved a green rating (compared to 97% last year). Furthermore, 78% of our UK-domiciled funds outperformed their respective Morningstar peer-group average over their longest time period (either one year, three years, five years or 10 years)⁴, compared with 84% last year. You can read more on how we have assessed our funds across a number of metrics on p7 of this report.
- **Global scale, resources and experience.** Investors in our UK-domiciled funds benefit from a world-class global infrastructure, well-resourced teams and a depth of experience at a price that represents significant value.
- **Share-class structures and pricing.** Our simple and transparent approach allows investors to make informed choices and avoid being inappropriately invested in expensive share classes. We aim to have the same price for all retail investors irrespective of how they access the funds.
- **Service.** We communicate with retail investors and advisers to ensure all Vanguard clients are properly informed and supported in all market conditions, but particularly in turbulent markets. This helps them to stay focused on meeting their long-term investment objectives.

- ¹ The ongoing charges figure (OCF) is a standardised methodology that enables investors to compare funds more easily. Based on the way our fees are charged, the OCF for our funds based on this methodology is usually the same as the annual management charge (which includes fees paid for investment management, administration, audit, depositary, legal, registration and regulatory fees).
- ² Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. **Source:** Morningstar as at 30 September 2024.
- ³ **Source:** Vanguard 1 October 2023 to 30 September 2024.
- ⁴ **Source:** Vanguard/Morningstar as at 30 September 2024. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled mutual funds and exchange traded funds (ETFs) (all share classes). Does not include share classes that were launched in 2024.

Investors generally enjoyed healthy returns over the 12 months to the end of September 2024, despite some ongoing uncertainty about the global economy.

Markets overall delivered positive returns, as confidence increased that inflation will continue to cool. This, coupled with slowing economic growth, allowed central banks to start cutting interest rates from their elevated levels after the Covid-19 pandemic. The path to lower rates was not straightforward, however, as markets reacted to mixed economic data, shifting interest-rate expectations, geopolitical tensions and election-related uncertainties.

Over the year, global shares, particularly in the US, had a strong run. This was driven to a large degree by optimism about technology companies and the role of artificial intelligence (AI). As a result, however, shares seem more expensive than they should be based on important measures such as their profits⁵.

Global bonds also performed well amid expectations for lower interest rates. Bonds generally do well when interest rates are falling. Vanguard believes that the outlook for bonds⁵ remains strong and that they will continue to play an important role in a globally diversified portfolio, where they can act as an important 'buffer' to offset fluctuations in share prices.

Despite the positive outlook, there may still be periods of turbulence as markets adjust to changing economic data. While interest rates are returning to more 'normal' levels, they may stay higher than investors have been used to in recent decades.

Our analysis suggests that trying to time the markets can do more harm than good⁶, so investors are generally well served by ignoring any market noise and staying invested for the long term.

This is why we think investors are best served by Vanguard's four principles of investing success - having clear and appropriate investment goals; investing in a balanced portfolio of shares and bonds; minimising costs and maintaining perspective and long-term discipline.

Our assessment of value

The table on p5 provides a fund-by-fund summary of the results of the comprehensive assessment we have undertaken.

Overall, the information in this report supports the conclusion that Vanguard continued to provide good value to investors in almost all UK funds over the 12 months to the end of September 2024.

Nevertheless, in the spirit of the assessment of value process, we recognise that we should not be complacent; we are continually looking for opportunities to improve.

Mike Craston,

Chair, Vanguard Investments UK, Limited (VIUK).

⁵ **Source:** Vanguard economic & market outlook 2025.

⁶ Vanguard calculations in GBP, based on data from Refinitiv, as at 3 July 2024.

Summary of findings

This table summarises the outcome of our review for each of Vanguard's UK-domiciled funds for the year ending 30 September 2024, using the seven assessment criteria set by the FCA.

VANGUARD FUNDS	PERFORMANCE	GENERAL COSTS OF THE FUND	ECONOMIES OF SCALE	COMPARABLE MARKET RATES	COMPARABLE SERVICES	CLASSES OF UNITS	QUALITY OF SERVICE	OVERALL FUND RATING
Index funds								
ESG Screened Developed World All Cap Equity Fund	●	●	●	●	●	●	●	●
FTSE 100 Index Unit Trust	●	●	●	●	●	●	●	●
FTSE Developed Europe ex-U.K. Equity Index Fund	●	●	●	●	●	●	●	●
FTSE Developed World ex-U.K. Equity Index Fund	●	●	●	●	●	●	●	●
FTSE Global All Cap Index Fund	●	●	●	●	●	●	●	●
FTSE U.K. All Share Index Unit Trust	●	●	●	●	●	●	●	●
FTSE U.K. Equity Income Index Fund	●	●	●	●	●	●	●	●
U.K. Inflation-Linked Gilt Index Fund	●	●	●	●	●	●	●	●
U.K. Long Duration Gilt Index Fund	●	●	●	●	●	●	●	●
U.S. Equity Index Fund	●	●	●	●	●	●	●	●
Active funds								
Active U.K. Equity Fund	●	●	●	●	●	●	●	●
Global Emerging Markets Fund	●	●	●	●	●	●	●	●
Global Equity Fund	●	●	●	●	●	●	●	●
Global Equity Income Fund	●	●	●	●	●	●	●	●
Global Capital Stewards Equity Fund	●	●	●	●	●	●	●	●
Sterling Short-Term Money Market Fund	●	●	●	●	●	●	●	●
ActiveLife Climate Aware 40-50% Equity Fund	●	●	●	●	●	●	●	●
ActiveLife Climate Aware 60-70% Equity Fund	●	●	●	●	●	●	●	●
ActiveLife Climate Aware 80-90% Equity Fund	●	●	●	●	●	●	●	●
Multi-asset fund of funds								
LifeStrategy 100% Equity Fund	●	●	●	●	●	●	●	●
LifeStrategy 20% Equity Fund	●	●	●	●	●	●	●	●
LifeStrategy 40% Equity Fund	●	●	●	●	●	●	●	●
LifeStrategy 60% Equity Fund	●	●	●	●	●	●	●	●
LifeStrategy 80% Equity Fund	●	●	●	●	●	●	●	●
Target Retirement 2015 Fund	●	●	●	●	●	●	●	●
Target Retirement 2020 Fund	●	●	●	●	●	●	●	●
Target Retirement 2025 Fund	●	●	●	●	●	●	●	●
Target Retirement 2030 Fund	●	●	●	●	●	●	●	●
Target Retirement 2035 Fund	●	●	●	●	●	●	●	●
Target Retirement 2040 Fund	●	●	●	●	●	●	●	●
Target Retirement 2045 Fund	●	●	●	●	●	●	●	●
Target Retirement 2050 Fund	●	●	●	●	●	●	●	●
Target Retirement 2055 Fund	●	●	●	●	●	●	●	●
Target Retirement 2060 Fund	●	●	●	●	●	●	●	●
Target Retirement 2065 Fund	●	●	●	●	●	●	●	●

Key

● = Fund provides good value.

● = Fund provides value but merits some action or further monitoring.

● = Concerns over the value provided by the fund.

One of our funds received a ● rating.

While all analysis was undertaken at an individual share class level, there were no observed differences with the fund-level analysis, either against any of the seven assessment criteria or at an overall level. This was true across accumulation and income share classes as well as General and Institutional Plus classes (please see the 'Classes of shares' section for definitions on p14). Hence, the above table only shows a fund-level summary view for simplicity and clarity.

A green rating represents good value. An amber rating does not represent a failure to offer value, but instead where there may be an opportunity to improve and areas to monitor. A red rating demonstrates concerns over the value provided by the fund. For the Active UK Equity Fund, these concerns and subsequent opportunity areas are detailed in the report on p9.

Overall, our conclusion is that for almost all UK funds, Vanguard provides good value to investors.

Performance

Does the fund provide good performance in relation to its investment objective?

What do we mean by good value in terms of performance?

- **Active funds.** Active funds are generally selected by investors based on the investment objective of the relevant fund (for example, capital growth, income, outperformance against an index or absolute return). Most of our active funds seek to provide an increase in the value of investments over the long term (typically more than five years), through a combination of capital growth and income. The analysis considers net annualised returns, net excess returns and peer relative performance on a one-, three-, five-year and since-inception basis. Greater weight is given to performance over longer time periods and over the fund's minimum recommended holding period (MRHP). Definitions of these performance metrics are available in the glossary on p18.
- **Index funds.** Index funds are generally selected by investors seeking performance that closely matches that of the relevant market benchmark. As such, when assessing index funds, the analysis considers the fund's tracking error over a one-year period (a measure of how closely a fund tracks its benchmark). Net excess returns relative to peer performance are also considered on a one-, three-, five- and ten-year basis, with greater weight given to longer-term performance.
- **Funds of funds.** These funds are managed relative to an investment objective rather than a market benchmark, such as holding investments that will pay out a regular income and increase in value through exposure to a diversified portfolio. We provide value when our funds deliver on their objective. To offer more than one view, we also consider how our funds perform in comparison to similar funds provided by other investment managers.

How we measured up

We monitor performance rigorously and regularly at multiple levels, believing this supports our ability to deliver good value. When assessing the performance of Vanguard's UK-domiciled funds, we use a wide range of metrics, including those outlined above. Using these criteria, we found that 34 out of 35 of the UK funds are rated as green; none are rated as amber; and one is rated as red. In last year's report, 34 out of 35 funds were rated green, with one rated amber and none red.

The performance of a given fund is primarily considered against its specific investment objective. All UK funds met their respective investment objectives over the reporting period (and over the longest available period).

Additionally, we also consider funds relative to their Morningstar peer group and to a comparator benchmark for active funds.

Relative to their Morningstar peer groups, 78% of funds outperformed their peer groups at a share-class level over the longest period – be that one, three, five or ten years⁷, compared to 84% last year.

All supporting performance data is provided in the appendix on p20.

Index funds

Performance relative to investment objective

The investment objective for index funds is to track the relative benchmark. All (100%) of our index funds track the benchmark within tolerance⁸ over the one-year period and therefore met their investment objectives.

Performance relative to peers

Equal to last year, 77% of all index funds outperformed peers over the longest available period (27 out of 35 funds)⁹. The Vanguard U.K. Inflation-Linked Gilt Index Fund and the Vanguard U.K. Long Duration Gilt Index Fund both underperformed against peers over the three-, five- and ten-year periods. These funds invest in gilts, which are bonds (a type of loan) issued by the UK government. They have a longer duration than most of their peers, meaning they are more susceptible to

7 Source: Vanguard/Morningstar as at 30 September 2024. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled mutual funds (MFs) and ETFs (all share classes). Does not include share classes that were launched in 2024.

8 One-year ex-post tracking error (calculated with historical returns) as at 30 September, 2024, based on monthly excess returns calculated by Vanguard's Investment Management and Finance Risk team. Tracking error measures the difference between the performance of an investment and its chosen benchmark.

9 Source: Vanguard/Morningstar as at 30 September 2024. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled mutual funds (MFs) and ETFs (all share classes). Does not include share classes that were launched in 2024.

interest-rate changes. While interest-rate hikes in 2022 and 2023 to combat inflation put a greater drag on the funds' performance relative to peers, interest-rate cuts in the second half of 2024 (which led to strong bond performance in the third quarter), contributed to an improved short-term performance for both funds.

Funds of funds

Performance relative to investment objective

The LifeStrategy and Target Retirement funds are managed in relation to an investment objective rather than a market benchmark. For example, the objective might be to hold investments that will pay out a regular income and increase in value through exposure to a diversified portfolio of shares and bonds over the long term. All (100%) of our multi-asset funds of funds have delivered positive net annualised returns over their longest available period (either five or ten years) and, therefore, have met their investment objectives, relative to the asset classes they invest in.

Funds with a greater allocation to bonds have a MRHP of three years (while still designed to be long-term holdings)¹¹. Of this group, 75% (three out of four funds) have seen positive net annualised returns over the three-year period. While the LifeStrategy 20% Equity Fund did not produce positive net annualised returns over three years (due to bond underperformance as interest rates rose), the fund has reasserted itself, producing positive net annualised returns over the one-year period.

Performance relative to peers

Of our multi-asset funds of funds, 81% outperformed their peer group over the longest available period (17 out of 21 funds), down from 90% last year¹². This is because the Vanguard Target Retirement 2050 and 2055 funds

slightly underperformed their peer group over their longest available (five-year) period. However, the funds remain rated green for performance, having met their investment objective of increasing in value by delivering positive net annualised returns over the long term.

The entire LifeStrategy range continues to outperform peers over the ten-year period, supporting our aim of delivering long-term value through broad diversification across global shares and bonds.

Active funds

Performance relative to investment objective

The primary objective of our active funds¹³ is to provide an increase in the value of investments over the long-term (more than five years)¹⁴. However, not all our active funds have a five-year history, so we have considered the extent to which each fund has provided an increase in value over the one-, three- and five-year periods, where applicable, as at 30 September 2024. Each fund has achieved positive net annualised returns over all applicable time periods (be that one, three or five years) and therefore each fund has met the investment objective of an increase in the value of investments.

Performance relative to benchmark

When considering fund performance against the benchmark over the longest available period, 25% of funds (two out of eight funds) have outperformed their comparator benchmark¹⁵.

The MRHP was also considered when assessing the performance of our active funds. Of those funds that have reached their MRHP of five years (four funds)¹⁶, 25% have outperformed their reference benchmark (one out of four) over this period.

11 Fund of funds with a minimum recommended holding period of three years include: Vanguard Target Retirement 2020 Fund, Vanguard Target Retirement 2015 Fund, Vanguard LifeStrategy 40% Equity Fund, Vanguard LifeStrategy 20% Equity Fund. All other fund of funds have a minimum recommended holding period (MRHP) of five years.

12 Source: Vanguard/Morningstar as at 30 September 2024. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled mutual funds (MFs) and ETFs (all share classes). Does not include share classes that were launched in 2024.

13 Portfolio management of the UK active funds is primarily outsourced. The oversight of the external fund managers is delegated to the internal Oversight and Manager Search (O&MS) team based in the US.

14 The Global Equity Income Fund is the only active fund with a dual investment objective to provide an annual level of income (gross of fees) greater than that of the FTSE Developed Index (the index) together with an increase in the value of investments over the long-term (more than five years). Although the fund underperformed the index over the five-year period (see appendix p20), it provided an increase in the value of investments (and resided in the top half of its Morningstar peer group) over the one-, three- and five-year periods, hence rated green for performance.

15 This excludes the LifeStrategy and Target Retirement range and the Sterling Short-Term Money Market Fund. Source: Vanguard/Morningstar as at 30 September 2024. **Past performance is not a reliable indicator of future results.**

16 The ActiveLife Climate Aware range (excluding the ActiveLife Climate Aware 60-70% Equity Fund), the Global Capital Stewards Equity Fund and the Active U.K Equity fund have not yet reached their MRHPs.

Performance relative to peers

When considering fund performance against peers, 67% have outperformed their peer group¹⁷ (six out of nine) over the longest available period – be that one, three, or five years, compared to 89% last year. More specifically, 33% have outperformed peers over a one-year period; 67% over a three-year period; and 100% have outperformed peers over the five-year period (all four funds that have reached their MRHP outperformed their peers).

Across the active range, the overall reason for underperformance has been the underweight in the portfolios to the technology sector (relative to the benchmark). The recent rally of the so-called Magnificent Seven stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla) has driven the performance of global shares over the last six to 12 months, so our funds' underweight position in this sector has pulled down performance.

Our experience in selecting managers over decades and numerous academic studies suggest that fundamental active managers are better served by taking a long-term, low-turnover approach (as opposed to chasing trends in the pursuit of short-term outperformance). We are encouraged to see that our active managers remain disciplined in applying their investment processes and committed to their investment philosophies in pursuit of long-term outperformance.

We have provided more information on the specific funds that we believe need to be monitored in the next section.

How we can improve

The performance of the Active U.K Equity Fund continues to be an opportunity area, with the fund trailing its benchmark by -2.2 percentage points over the one-year period and -7.1 percentage points over the three-year period, despite having achieved positive net annualised returns over both periods as evidenced on p23. As a result, the fund has been downgraded from amber to red.

The fund has a relatively short track record with just over four years' history, having launched in October 2019. However, it has consistently underperformed its comparator benchmark. The narrowness of the UK equity market relative to the global equity market has created challenges in finding growth companies that enable the fund to outperform the benchmark. Fund performance has been pulled down due to the selection of companies in sectors such as consumer discretionary, healthcare and industrials.

While Vanguard continues to have conviction more broadly in the managers, we are closely monitoring the process to determine if additional action should be taken.

Conclusion

The overall conclusion is that the performance record of almost all of the UK fund range provides good value to investors.

Past performance is not a reliable indicator of future results.

¹⁷ Source: Vanguard/Morningstar as at 30 September 2024. **Past performance is not a reliable indicator of future results.** Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled mutual funds (MFs) and ETFs (all share classes). Does not include share classes that were launched in 2024.

General costs of the fund

Are Vanguard's charges fair relative to the costs of the services we provide?

What do we mean by good value in terms of costs?

The fees paid by investors to Vanguard should be reasonable compared with the cost of the service they or their fund receives. The charges should be transparent and clear to the investor, with no hidden costs.

How we measured up

It is a Vanguard principle that we exercise discipline over cost management. We take several factors into account when setting charges, but the most important is the cost of running the fund. In this context, where possible, any benefits derived from cost efficiency and from our scale (discussed further in the next section) are passed back to investors. This is most clearly evidenced by the decline in charges for our funds since launch, as reflected in the table to the right.

As required by the AoV rules, we compared the charges made by Vanguard to the funds for the services provided with the actual costs incurred in providing those services. We were satisfied that the charges to the funds were reasonable in relation to the underlying costs. We adopt a simple and transparent approach to charges paid by investors: for example, we do not charge performance fees and we do not have entry or exit charges. Vanguard pays the cost of the external services out of the management charge.

How we can improve

Effective management of costs continues to underpin our core purpose. We will continue to monitor all the criteria we rely on for setting charges and will not hesitate to cut fees paid by investors when we find opportunities to pass on reductions in the costs that we incur.

Conclusion

Based on this assessment, we concluded that the general costs of the funds represent good value to UK investors.

Decline in charges for Vanguard funds since launch¹⁸

VANGUARD FUNDS	OCF %	
	AT LAUNCH	SEPTEMBER 2024
Index funds		
ESG Screened Developed World All Cap Equity Index	0.20	0.20
FTSE 100 Index Unit Trust	0.12	0.06
FTSE Developed Europe ex-U.K. Equity Index	0.50	0.12
FTSE Developed World ex-U.K. Equity Index	0.30	0.14
FTSE Global All Cap Index Fund	0.24	0.23
FTSE U.K. All Share Index Unit Trust	0.15	0.06
FTSE U.K. Equity Income Index Fund	0.25	0.14
LifeStrategy funds	0.29	0.22
Target Retirement funds	0.24	0.24
U.K. Inflation-Linked Gilt Index Fund	0.15	0.12
U.K. Long Duration Gilt Index Fund	0.15	0.12
U.S. Equity Index Fund	0.20	0.10
Active funds		
Active U.K. Equity Fund	0.45	0.45
Global Emerging Markets Fund	0.80	0.78
Global Equity Fund	0.60	0.48
Global Equity Income Fund	0.60	0.48
Global Capital Stewards Equity Fund	0.48	0.48
Sterling Short-Term Money Market Fund	0.15	0.12
ActiveLife Climate Aware Equity funds	0.60 ¹⁹	0.48

¹⁸ Launch dates vary, please see individual funds.

¹⁹ Vanguard ActiveLife Climate Aware 60-70% Equity Fund was previously the Vanguard Global Balanced Fund, which was launched with an OCF of 60 basis points.

Economies of scale

Has Vanguard achieved appropriate economies of scale and have these been passed on to investors?

What do we mean by good value in terms of economies of scale?

As the business grows, Vanguard should be able to use its increasing size to negotiate good deals with providers of services – such as investor record-keeping, fund accounting and investment administration – and to spread the costs across more investors. The resulting economies of scale should mean that, for every £1 invested, the amount paid by investors to receive the services provided goes down as the business grows. Having generated these economies of scale, it is important that they are passed on to investors in the form of fee reductions as the business grows.

How we measured up

Passing on the benefits of our scale is one of the key ways we seek to improve outcomes for investors. As a subsidiary of Vanguard's global business – which had \$9.9 trillion in assets under management, as at the end of October 2024 – the UK operation is able to benefit from substantial global relationships with service providers.

In many instances, the fee scales and structures are negotiated based on our global assets under management and are, therefore, significantly lower than the UK business would be able to negotiate on its own. This benefit is reflected in the lower cost of various services, such as index licensing and custody services. Vanguard pays for these types of expenses out of the management charge received from investors. The benefits generated from economies of scale are effectively passed on to the investor in the form of lower fees, despite our need to invest in the business.

Vanguard regularly assesses and renegotiates third-party contracts and fees. We discuss terms with providers and test whether our costs are in line with what others are paying to confirm that we are receiving value for money. As a result, we have seen a steady reduction in costs which, combined with the economies of scale, have been passed back to investors through

reductions in fund fees in 2015, 2018 and 2021. While some of the benefits of our scale are retained for investment in future growth, these fee reductions demonstrate that our investors are also sharing directly in the benefits.

The ultimate test of how we pass on these economies of scale is a low OCF²⁰, which is discussed more in the next section.

How we can improve

While we remain confident that our history of passing on fee reductions to investors allows them to share in the benefits of our scale, we are always looking for opportunities to hand back further savings to investors. We continue to conduct regular exercises to compare our fees with organisations of similar scale and level of activity.

Conclusion

Based on Vanguard's ability to leverage its global scale in its fee arrangements and a history of passing on the benefits of scale to investors, we calculated that Vanguard offers good value to UK investors in relation to economies of scale.

²⁰ The OCF is a standardised methodology that enables investors to compare funds more easily. Based on the way our fees are charged, the OCF for our funds based on this methodology is usually the same as the annual management charge (which includes fees paid for investment management, administration, audit, depositary, legal, registration and regulatory fees).

Comparable market rates

Do the charges that investors pay provide value compared with similar funds in the market?

What do we mean by good value in terms of charges?

- Investors who pay more for essentially similar services may be disadvantaged if they are not being offered something extra for the additional fees.
- Every £1 charged represents £1 less in returns to the investor. Over the long term, these charges can have a significant impact on returns.
- All things being equal, funds with low ongoing charges offer better value than those with higher fees.

How we measured up

The only charge that Vanguard makes to investors is the management fee²⁰. No other fees or charges are levied. Since we entered the UK market in 2009, we have regularly cut the fees we charge investors.

We regularly compare our fees with those levied by similar funds offered by other investment managers. When assessing our OCFs, we compared each fund's charge to its relevant Morningstar category, to determine if our funds were priced similarly to or lower than comparable funds.

We have included all share classes (General and Institutional Plus²¹) to provide a full picture to investors. The ongoing charges for all our funds are, on average, 73%²² cheaper than their Morningstar category average (74% last year), as shown in the appendix on p26.

We have also compared our funds with customised peer groups this year, to separate active from index strategies. The OCFs for all our funds on this basis are, on average, 54% cheaper than their Morningstar category average.

How we can improve

We will continue to monitor our fees regularly to ensure that Vanguard maintains its position as a low-cost, good-value fund provider.

Conclusion

The data demonstrates that Vanguard offers good value in comparison to the market for the charges it makes for its services.

20 The OCF is a standardised methodology that enables investors to compare funds more easily. Based on the way our fees are charged, the OCF for our funds based on this methodology is usually the same as the annual management charge (which includes fees paid for investment management, administration, audit, depositary, legal, registration and regulatory fees).

21 Vanguard offers two classes of share: a General share class, aimed at all investors; and an Institutional Plus share class, aimed at selected professional and institutional investors. Both have common pricing for income-paying and accumulating options.

22 Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. Average sector OCF is sourced from Morningstar. These default Morningstar peer groups include both index and active funds - we feel this best reflects how investors review our funds. Source: Morningstar as at 30 September 2024.

Comparable services

How do the charges that investors pay compare with those paid by other investors in the same fund?

What do we mean by good value in terms of charges for comparable services?

What an investor pays for shares (sometimes called "units") in a fund with a particular investment objective should be comparable to what other similar investors pay for shares in the same fund, or other funds with a similar investment objective.

Investors may pay different charges for investments of different sizes, given that the relative administration costs are higher for smaller investments than for larger ones. For example, say Vanguard received £1 million of new assets from 1,000 investors each with £1,000, or a £1 million investment from a single client. In the first situation, we would need to process 1,000 applications; in the second case, only one. Even though the two scenarios generate the same level of new assets, the cost of processing the second scenario is lower. In setting prices, our guiding principle is that the outcome should be fair to all types of investor, irrespective of the size of their investment.

Similarly, there may be different charges for share classes in funds with different investment objectives. It is more expensive to invest in some markets, like emerging markets or smaller companies, than others. However, the difference in charges should be fair in relation to the cost of investing in those markets.

A simple, competitive and cost-effective range of share classes reduces the likelihood that investors will inadvertently pay too much by being in the wrong share class.

How we measured up

Vanguard seeks to provide simple, fair and transparent pricing to our investors. There are only two classes of shares for the two broad categories of investor:

- A General share class, aimed at all investors, with common pricing for income-paying and accumulating options.

- An Institutional Plus share class, aimed at selected professional and institutional investors with a minimum of £100 million in share-class level assets, with common pricing for income-paying and accumulating options.

The General share class is intended to serve the needs of a broad base of investors and is available at a single competitive price. The General share class is used consistently for funds on third-party retail investor platforms that offer Vanguard products and on Vanguard's own Personal Investor platform.

In some cases, our funds have a single share class open to both retail and institutional investors at the same price. However, nine funds managed in the UK also have an Institutional Plus share class. These have a lower management charge for those larger clients that cost us less to serve. In all cases, when pricing shares for professional clients, a comparison is made with retail share classes to ensure a fair and competitive difference is maintained.

We have a coherent and consistent pricing structure, irrespective of fund domicile (either UK or Ireland) or fund vehicle, whether mutual fund (MF) or exchange-traded fund (ETF). Our UK investors can also access a number of our Ireland-domiciled ETFs and mutual funds, which means that end investors have access to up to 107 Vanguard funds; all of which offer low fees.

How we can improve

We remain alert to the needs of both retail and institutional investors and will continue to assess whether those needs are best served by the current range of share classes.

Conclusion

Based on Vanguard's straightforward share-class and pricing structures and the governance around institutional pricing, as outlined above, our conclusion is that we provide good value in terms of the charges paid for different classes of shares.

Classes of shares

Is it appropriate for share or unit holders to hold classes subject to higher charges?

What do we mean by good value in terms of share classes?

The UK investment industry had a legacy of share classes with higher fees, largely relating to share classes that existed before the changes instituted by the Retail Distribution Review (RDR)²³ in 2012. A goal of the FCA is to encourage the industry to move investors holding these expensive share classes to cheaper options and there has already been considerable progress in this area across the industry.

Vanguard has no legacy share classes with higher fees. Given Vanguard's simple share class structure, we are confident investors are placed in suitable share classes. In addition, there are no other share classes offered with the same rights but lower charges.

How we measured up

As discussed in the previous section, the only share classes we provide are General shares for retail investors and Institutional Plus shares for professional investors with large sums to invest. Vanguard has never paid commissions; consequently, there are no share classes priced to reflect commissions paid to intermediaries before the introduction of the RDR. As a result, the suggested tests to gauge whether investors are being overcharged are not relevant.

How we can improve

As discussed in the last section, we regularly review our range of share classes to ensure they continue to fit the needs of our various investors.

Conclusion

Given our simple share structure and policy of never paying commission, we believe we continue to provide good value in terms of the classes of shares we provide.

²³ The Retail Distribution Review introduced new rules to make financial products more transparent and financial advice subject to fewer conflicts of interest, including banning commission paid to advisers for the sale of particular products.

Quality of service

Have the range and quality of the services investors received represented good value?

What do we mean by good value in terms of quality of service?

Quality of service in managing client investments depends on a very wide range of factors:

- An investor should be clear about what they are buying and what they are paying for. Effective, good-quality communications and, in particular, the range of documents that accompany financial products are therefore crucial to the service provided.
- The quality of the manager's global structures and systems are also vital to ensuring a high quality of service, including the processes used to manage the fund's investments.
- Good service also depends on the quality of the practical infrastructure of the funds, such as the regular reports to clients and how outside service providers deal with record keeping, accounting and other services.

How we measured up

When assessing the quality of service provided by the UK funds, the following activities were considered:

- **Communications.** Effective and high-quality communication with investors and the documentation that accompanies financial products are crucial to the service provided. We have considered documents created for investors in the UK-domiciled funds and those published by third parties on our behalf.
- **Services provided to investors.** The report considers the services experienced directly by investors, including both direct services and outsourced services such as transfer agency and fund accounting. The quality of outsourced services is continually monitored.
- **Oversight of distributors.** Vanguard distributes funds directly to professional clients as well as to retail investors via professional third parties, such as investment platforms. We assessed the value of the service that Vanguard provides to these clients

as well as the way we oversee relationships with third parties who distribute our funds (excluding Vanguard's UK Personal Investor platform). We noted no complaints or breaches related to the oversight of distributors in the assessment period.

- Although the UK Personal Investor platform is not in scope for the AoV review, we feel it is important to consider the experience of our Personal Investor clients as part of our review. Their perception of the value received from Vanguard will be based on the quality of service and pricing of the platform, as well as the value provided by the underlying funds.
- The quality of the overall experience provided has been recognised by consumer champion Which?, who named Vanguard's UK Personal Investor platform a '[Which? Recommended Provider for Stocks and Shares ISA](#)' in 2024. In addition, the platform was named a 'Which? Recommended Provider for Self-Invested Personal Pensions (SIPPs)'.
- **Other services.** Investors in Vanguard's UK-domiciled funds also benefit from being part of the Vanguard Group.
- **Global investment infrastructure.** Investors benefit from the Vanguard Group's infrastructure, well-resourced teams and depth of experience at a price that offers significant value. We conduct high-quality portfolio management for the UK funds: internally for index funds and externally for active funds.

The UK-domiciled funds that are managed internally are supported by the global Investment Management Group (IMG). The IMG comprises 539²⁴ team members and has investment operations in the UK, the US and Australia. This allows 24-hour access to markets and offers significant breadth and depth of expertise.

For externally-managed funds, Vanguard's 23-person Oversight and Manager Search (O&MS) team operates a global oversight framework considering the following factors: firm; people; philosophy and process; as well as portfolio and performance.

24 Source: Vanguard as at 30 September 2024.

- **Securities lending.** Some of the UK funds have access to Vanguard's global securities lending programme, which generates value for the funds in the form of additional revenues. The revenue generated is passed on to investors in full after a deduction for the cost of running the programme²⁵.
- **Support of intermediaries and end investors.** Vanguard continues to offer advisers clear marketing materials to allow them to best support their investors and to help give them the best chance of investment success during challenging market conditions.
- **Investment stewardship.** Internally managed UK funds benefit from Vanguard's global investment stewardship programme. The programme aims to safeguard and promote long-term investment returns at companies in which the funds invest. The stewardship programme is framed around four principles of good governance: board composition and effectiveness, oversight of strategy and risk, executive compensation (remuneration) and shareholder rights. It represents investors' long-term interests through industry advocacy, company engagement and proxy voting.

A dedicated global team of experienced governance professionals employs a regionally focused model to develop in-depth knowledge on pertinent issues across our funds' portfolios.

During the 2024 proxy year (1 July 2023 – 30 June 2024), the team engaged (met) with 1,426 companies from Vanguard's VIUK fund range, representing over \$48 billion in equity assets under management. The team voted our funds' proxies on 115,514 proposals at nearly 9,500 companies. Vanguard is a signatory to the UK Stewardship Code 2020.

- **Employees.** Investors in our funds benefit from the Vanguard Group's world class support to its employees' continuous education and training.

Each month, Vanguard measures employee satisfaction with a rolling sample of team members. The survey measures this through three lenses: company, team and role. Our crew engagement score increased to 74% as at September (on a rolling six-month basis) – our highest score since survey inception in June 2023.

We also carry out a team health survey twice a year, focusing on individual teams and assessing factors including team norms, team dynamics and leader effectiveness. The survey is designed to enable action planning at an individual team level. Our focus on the development and growth of our employees has contributed to Vanguard's strong and inclusive culture.

How we can improve

We constantly monitor both the services we provide and those provided by third parties to ensure we meet our own high standards and those we expect of others.

Conclusion

Investors in our UK funds benefit significantly from Vanguard's global infrastructure, well-resourced teams and high-quality investment processes. As previously noted, investors access these global resources at competitive prices. As a result, we concluded that Vanguard has provided good value in terms of quality of service.

²⁵ Vanguard does not charge a fee for running the securities lending programme. Instead, this fee is received by the securities lending agent J.P. Morgan.

Overall conclusion

This is Vanguard's sixth consecutive assessment of value report and we conclude that we have provided good value to investors in almost all of our funds.

The report looks beyond the performance and cost of our investment funds to put them into the context of the overall value they provide. We have carefully reconsidered each of the FCA's assessment criteria, which are performance, general costs of the fund, economies of scale, comparable market rates, comparable services, classes of units and quality of service.

This assessment of value report aligns with Vanguard's core purpose, which is "to take a stand for all investors, to treat them fairly and to give them the best chance for investment success".

Glossary

Absolute return

The absolute return is the gain or loss that an investment produces over a given period, expressed as a percentage of the amount invested. Also referred to as the total return, it measures the gain or loss independent of any benchmark (see definition of benchmark below).

Accumulation share class

There are two main types of share class: 'income' (also known as 'distributing') and 'accumulation'. Accumulation share classes reinvest any income with the aim of growing the investments over time. See the definition of income shares classes below.

Active fund management

This is an approach to investing that sees an investment manager select shares and/or other investments in accordance with the fund's investment objectives, which may be to outperform relative to a benchmark index (see below).

Benchmark

A benchmark is often a market index, or combination of indices, that investors use to measure investment performance. An index typically measures the performance of a basket of investments, such as a basket of shares or bonds, that are intended to represent a certain area of the market.

Comparator benchmark

Comparator benchmarks are used to assess the performance of an investment portfolio without constraining how the portfolio is constructed. When these benchmarks are used, a given investment's performance is judged against a relevant comparator – a major equity index, set of indices, competitor or factor, for example – to assess the strength of the investment strategy.

Reference benchmark

This term is often used interchangeably with "comparator benchmark".

Bonds

Bonds are loans issued by governments, public-sector bodies, companies or supranational organisations. Bonds usually pay a fixed rate of scheduled interest payments – hence they are also known as fixed-income investments – while the original sum borrowed is typically repaid at a specific future date.

Diversification

This is a strategy designed to reduce the risk in an investment portfolio by holding a wide range of different investments. Diversification helps to manage risk because better-performing investments can help to offset those that perform less well, over time. Investors can diversify across asset classes, regions, market capitalisation, sectors and industries and other characteristics.

Equities

Another word for ordinary company shares, which represent an ownership stake in a business.

Fund

An investment vehicle that pools the money of many investors to buy shares and/or other investments.

Fund manager

This is the person or company who manages a fund. In an active fund, they make the investment decisions. In an index fund, they will make sure the fund is closely tracking the index.

Income share class

There are two main types of share class: 'income' (also known as 'distributing') and 'accumulation'. Income share classes distribute income to investors.

Index

An index typically measures the performance of a basket of investments that are intended to represent a certain area of the market. Indices are often used as benchmarks against which the performance of an investment, such as a fund, is evaluated.

Index funds

An investment fund that aims to closely match the returns of a specified market index. The fund may hold all of the constituents of the particular index or buy a sample of those constituents. In both approaches, the index fund aims to replicate the performance of the index as accurately as possible.

Index provider

An index provider is a company that designs and calculates the performance of indices (as defined above). They set the rules on what is included in the index, how it is maintained and how constituents will be added or removed over time.

Multi-asset fund

A multi-asset fund is one that combines different types of investments or asset classes in one fund. This could include company shares and bonds for example – although the exact blend of investments will depend on the fund and investment strategy.

Net annualised return

The annual return of a given investment after factoring in any costs, management fees and losses.

Net excess return

Returns achieved above those of a selected comparator, such as a competitor or index, after factoring in any costs such as management fees.

Peer relative performance

The performance of a given investment as compared to a peer group. An actively managed fund, for example, might compare its annual performance to similarly sized competitor funds which invest in the same markets or industries.

Portfolio

A combination of individual investments or funds that is usually created to meet specific goals, such as long-term capital growth.

Risk

The likelihood that the return on an investment will differ from what is expected. There are different types of risk, including market risk (the chance that returns will fluctuate) and shortfall risk (the possibility that a portfolio will fail to meet its longer-term objective). Different investors have different tolerances for risk based on factors such as their personal circumstances and their investment timeframe.

Tracking error

Tracking error is a measure of financial performance that determines the difference between the return fluctuations of an investment portfolio and those of a chosen benchmark.

Volatility

The extent to which investment values fluctuate over time. When investors are uncertain about the economic environment or geopolitical events, short-term volatility tends to increase.

Appendix

Performance of UK-domiciled funds relative to peer group and benchmark

	01/10/2023 30/09/2024 1 YEAR			01/10/2021 30/09/2024 3 YEARS			01/10/2019 30/09/2024 5 YEARS			01/10/2014 30/09/2024 10 YEARS		
	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %
Morningstar category ²⁶ /Vanguard fund												
Index funds												
EAA Fund UK Equity Income												
Vanguard FTSE U.K. Equity Income Index Fund GBP Inc	18.00	17.75	15.23	11.42	11.52	5.84	6.79	7.10	5.25	5.56	5.79	5.45
Vanguard FTSE U.K. Equity Income Index Fund GBP Acc	18.04	17.75	15.23	11.44	11.52	5.84	6.82	7.10	5.25	5.58	5.79	5.45
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Inc	18.02	17.75	15.23	11.44	11.52	5.84	6.82	7.10	5.25	--	--	--
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Acc	18.05	17.75	15.23	11.46	11.52	5.84	6.85	7.10	5.25	--	--	--
EAA Fund UK Large-Cap Equity												
Vanguard FTSE 100 Index Unit Trust GBP Acc	11.73	12.36	13.16	8.86	9.12	6.44	5.77	5.92	5.23	--	--	--
Vanguard FTSE 100 Index Unit Trust GBP Inc	11.71	12.36	13.16	8.85	9.12	6.44	5.76	5.92	5.23	--	--	--
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	13.80	13.40	13.16	7.35	7.41	6.44	5.65	5.74	5.23	6.21	6.27	5.87
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Inc	13.79	13.40	13.16	7.34	7.41	6.44	5.65	5.74	5.23	--	--	--
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Acc	13.80	13.40	13.16	7.35	7.41	6.44	5.66	5.74	5.23	--	--	--
Vanguard FTSE U.K. All Share Index Unit Trust GBP Inc	13.77	13.40	13.16	7.33	7.41	6.44	5.64	5.74	5.23	--	--	--
EAA Fund US Large-Cap Blend Equity												
Vanguard U.S. Equity Index Fund GBP Inc	22.72	22.80	21.23	9.99	10.06	9.61	12.87	12.95	12.04	14.52	14.61	13.44
Vanguard U.S. Equity Index Fund GBP Acc	22.73	22.80	21.23	9.99	10.06	9.61	12.87	12.95	12.04	14.52	14.61	13.44
Vanguard U.S. Equity Index Fund Institutional Plus GBP Inc	22.77	22.80	21.23	10.03	10.06	9.61	12.92	12.95	12.04	--	--	--
Vanguard U.S. Equity Index Fund Institutional Plus GBP Acc	22.77	22.80	21.23	10.03	10.06	9.61	12.92	12.95	12.04	--	--	--
EAA Fund Europe ex-UK Equity												
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Inc	15.03	15.18	13.91	6.01	6.10	4.57	7.72	7.82	7.52	8.61	8.72	8.56
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	15.03	15.18	13.91	6.01	6.10	4.57	7.72	7.82	7.52	8.61	8.72	8.56
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Inc	15.08	15.18	13.91	6.05	6.10	4.57	7.76	7.82	7.52	--	--	--
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Acc	15.09	15.18	13.91	6.06	6.10	4.57	7.76	7.82	7.52	--	--	--

Past performance is not a reliable indicator of future results. All returns shown are net of fees. All transaction costs are included within the net asset value (NAV) of the fund.

²⁶ Source: VIFI/Vanguard/Morningstar as at 30 September 2024. Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2024. Returns calculated in GBP.

	01/10/2023 30/09/2024 1 YEAR			01/10/2021 30/09/2024 3 YEARS			01/10/2019 30/09/2024 5 YEARS			01/10/2014 30/09/2024 10 YEARS		
	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %
Morningstar category ²⁶ /Vanguard fund												
Index funds												
EAA Fund Global Large-Cap Blend Equity												
Vanguard FTSE Global All Cap Index Fund GBP Acc	18.95	19.37	16.72	7.64	7.96	6.14	9.89	10.23	8.44	--	--	--
Vanguard FTSE Global All Cap Index Fund GBP Inc	18.95	19.37	16.72	7.64	7.96	6.14	9.89	10.23	8.44	--	--	--
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Inc	20.50	20.62	16.72	9.08	9.18	6.14	11.31	11.42	8.44	12.58	12.71	9.59
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Acc	20.50	20.62	16.72	9.08	9.18	6.14	11.31	11.42	8.44	12.58	12.71	9.59
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Inc	20.57	20.62	16.72	9.15	9.18	6.14	11.38	11.42	8.44	--	--	--
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Acc	20.57	20.62	16.72	9.14	9.18	6.14	11.37	11.42	8.44	--	--	--
Vanguard LifeStrategy 100% Equity Fund Income Shares	18.23	--	16.72	7.92	--	6.14	9.16	--	8.44	10.40	--	9.59
Vanguard LifeStrategy 100% Equity Fund Accumulation Shares	18.23	--	16.72	7.93	--	6.14	9.17	--	8.44	10.40	--	9.59
Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) GBP Acc	20.97	21.17	16.72	7.45	7.62	6.14	--	--	--	--	--	--
Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) GBP Inc	20.97	21.17	16.72	7.45	7.62	6.14	--	--	--	--	--	--
Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Inc	21.06	21.17	16.72	7.52	7.62	6.14	--	--	--	--	--	--
EAA Fund GBP Government Bond												
Vanguard U.K. Long Duration Gilt Index Fund GBP Inc	10.00	10.04	7.62	-14.91	-14.86	-5.96	-10.44	-10.40	-4.31	-0.68	-0.48	0.12
Vanguard U.K. Long Duration Gilt Index Fund GBP Acc	10.00	10.04	7.62	-14.92	-14.86	-5.96	-10.44	-10.40	-4.31	-0.68	-0.48	0.12
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Inc	10.24	10.04	7.62	-14.87	-14.86	-5.96	-10.40	-10.40	-4.31	--	--	--
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Acc	10.04	10.04	7.62	-14.88	-14.86	-5.96	-10.41	-10.40	-4.31	--	--	--
EAA Fund GBP Inflation-Linked Bond												
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Inc	6.18	6.32	6.34	-12.55	-12.46	-11.28	-7.65	-7.55	-6.78	0.66	0.78	0.69
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Acc	6.18	6.32	6.34	-12.55	-12.46	-11.28	-7.65	-7.55	-6.78	0.66	0.78	0.69
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Inc	6.26	6.32	6.34	-12.50	-12.46	-11.28	-7.60	-7.55	-6.78	--	--	--
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Acc	6.25	6.32	6.34	-12.50	-12.46	-11.28	-7.61	-7.55	-6.78	--	--	--

Past performance is not a reliable indicator of future results. All returns shown are net of fees. All transaction costs are included within the net asset value (NAV) of the fund.

²⁶ Source: VIFI/Vanguard/Morningstar as at 30 September 2024. Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2024. Returns calculated in GBP.

	01/10/2023 30/09/2024 1 YEAR			01/10/2021 30/09/2024 3 YEARS			01/10/2019 30/09/2024 5 YEARS			01/10/2014 30/09/2024 10 YEARS		
	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Peer group average return %
Morningstar category ²⁶ /Vanguard fund												
Multi-asset fund of funds												
EAA Fund GBP Allocation 0-20% Equity												
Vanguard LifeStrategy 20% Equity Fund GBP Gross Income Shares	11.19	--	10.43	-1.51	--	0.22	0.28	--	1.13	3.01	--	2.51
Vanguard LifeStrategy 20% Equity Fund GBP Gross Accumulation Shares	11.19	--	10.43	-1.51	--	0.22	0.28	--	1.13	3.01	--	2.51
EAA Fund GBP Allocation 20-40% Equity												
Vanguard LifeStrategy 40% Equity Fund Income Shares	12.59	--	11.05	0.57	--	0.53	2.34	--	1.67	4.78	--	2.82
Vanguard LifeStrategy 40% Equity Fund Accumulation Shares	12.59	--	11.05	0.57	--	0.53	2.34	--	1.67	4.78	--	2.82
EAA Fund GBP Allocation 40-60% Equity												
Vanguard LifeStrategy 60% Equity Fund Income Shares	14.48	--	13.07	2.95	--	1.63	4.61	--	3.22	6.68	--	4.13
Vanguard LifeStrategy 60% Equity Fund Accumulation Shares	14.48	--	13.07	2.95	--	1.63	4.61	--	3.22	6.68	--	4.13
EAA Fund GBP Allocation 60-80% Equity												
Vanguard LifeStrategy 80% Equity Fund Income Shares	16.40	--	14.05	5.40	--	2.69	6.90	--	4.73	8.55	--	5.74
Vanguard LifeStrategy 80% Equity Fund Accumulation Shares	16.40	--	14.05	5.40	--	2.69	6.90	--	4.73	8.55	--	5.74
EAA Fund Target Date 2016 - 2020												
Vanguard Target Retirement 2015 Fund Accumulation Shares	11.17	--	4.66	1.94	--	1.33	2.98	--	1.28	--	--	--
Vanguard Target Retirement 2020 Fund Accumulation Shares	12.28	--	4.66	2.51	--	1.33	3.89	--	1.28	--	--	--
EAA Fund Target Date 2021 - 2025												
Vanguard Target Retirement 2025 Fund Accumulation Shares	13.72	--	5.80	3.01	--	-0.20	4.57	--	1.22	--	--	--
EAA Fund Target Date 2026 - 2030												
Vanguard Target Retirement 2030 Fund Accumulation Shares	14.64	--	9.29	3.55	--	1.44	5.10	--	2.56	--	--	--
EAA Fund Target Date 2031 - 2035												
Vanguard Target Retirement 2035 Fund Accumulation Shares	15.08	--	13.23	4.14	--	2.93	5.66	--	4.59	--	--	--
EAA Fund Target Date 2036 - 2040												
Vanguard Target Retirement 2040 Fund Accumulation Shares	15.56	--	14.35	4.72	--	4.11	6.21	--	6.07	--	--	--
EAA Fund Target Date 2041 - 2045												
Vanguard Target Retirement 2045 Fund Accumulation Shares	16.02	--	15.63	5.28	--	5.02	6.77	--	6.66	--	--	--
EAA Fund Target Date 2046+												
Vanguard Target Retirement 2060 Fund Accumulation Shares	16.33	--	16.26	5.58	--	5.37	6.98	--	7.16	--	--	--
Vanguard Target Retirement 2065 Fund Accumulation Shares	16.32	--	16.26	5.57	--	5.37	6.97	--	7.16	--	--	--
Vanguard Target Retirement 2050 Fund Accumulation Shares	16.32	--	16.26	5.56	--	5.37	6.97	--	7.16	--	--	--
Vanguard Target Retirement 2055 Fund Accumulation Shares	16.30	--	16.26	5.55	--	5.37	6.95	--	7.16	--	--	--

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²⁶ Source: VIFI/Vanguard/Morningstar as at 30 September 2024. Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2024. Returns calculated in GBP.

Morningstar category ²⁶ / Vanguard fund	01/10/2023 30/09/2024 1 YEAR				01/10/2021 30/09/2024 3 YEARS				01/10/2019 30/09/2024 5 YEARS				SINCE INCEPTION		
	Return (annualised) %	Benchmark return (annualised) %	Net excess return %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Net excess return %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Net excess return %	Peer group average return %	Return (annualised) %	Benchmark return (annualised) %	Net excess return %
Active funds															
EAA Fund Global Large-Cap Blend Equity															
Vanguard Global Capital Stewards Equity Fund GBP Inc	22.11	19.96	2.15	16.72	--	--	--	--	--	--	--	--	9.02	6.30	2.72
Vanguard Global Capital Stewards Equity Fund GBP Acc	22.12	19.96	2.16	16.72	--	--	--	--	--	--	--	--	9.02	6.30	2.72
EEA Fund GBP Allocation 80%+ Equity															
Vanguard ActiveLife Climate Aware 80-90% Equity Fund A GBP Inc	11.27	19.08	-7.80	15.10	--	--	--	--	--	--	--	--	6.23	5.61	0.62
Vanguard ActiveLife Climate Aware 80-90% Equity Fund A GBP Acc	11.27	19.08	-7.80	15.10	--	--	--	--	--	--	--	--	6.22	5.61	0.61
EAA Fund GBP Allocation 60-80% Equity															
Vanguard ActiveLife Climate Aware 60-70% Equity Fund GBP Inc	11.13	17.30	-6.18	14.05	5.49	5.43	0.05	2.69	5.94	7.31	-1.37	4.73	8.31	9.17	-0.86
Vanguard ActiveLife Climate Aware 60-70% Equity Fund GBP Acc	11.13	17.30	-6.18	14.05	5.48	5.43	0.05	2.69	5.94	7.31	-1.37	4.73	8.31	9.17	-0.86
EAA Fund GBP Allocation 40-60% Equity															
Vanguard ActiveLife Climate Aware 40-50% Equity Fund GBP Inc	11.33	15.68	-4.35	13.07	--	--	--	--	--	--	--	--	2.50	2.34	0.16
Vanguard ActiveLife Climate Aware 40-50% Equity Fund GBP Acc	11.33	15.68	-4.35	13.07	--	--	--	--	--	--	--	--	2.50	2.34	0.15
EAA Fund Global Emerging Markets Equity															
Vanguard Global Emerging Markets GBP Income Shares	11.29	16.65	-5.36	12.58	1.96	2.55	-0.59	-0.61	5.21	5.07	0.14	3.28	10.41	9.25	1.16
Vanguard Global Emerging Markets GBP Accumulation Shares	11.28	16.65	-5.37	12.58	1.97	2.55	-0.58	-0.61	5.23	5.07	0.16	3.28	10.42	9.25	1.17
EAA Fund Global Large-Cap Blend Equity															
Vanguard Global Equity GBP Income Shares	16.01	19.96	-3.95	16.72	4.25	8.52	-4.27	6.14	9.75	10.52	-0.77	8.44	12.30	12.89	-0.59
Vanguard Global Equity GBP Accumulation Shares	16.01	19.96	-3.95	16.72	4.25	8.52	-4.27	6.14	9.75	10.52	-0.77	8.44	12.31	12.89	-0.59
EAA Fund Global Equity Income															
Vanguard Global Equity Income GBP Income Shares	15.15	20.31	-5.16	14.18	10.86	9.22	1.64	7.55	9.01	11.18	-2.18	7.25	10.67	13.35	-2.68
Vanguard Global Equity Income GBP Accumulation Shares	15.15	20.31	-5.16	14.18	10.86	9.22	1.65	7.55	9.01	11.18	-2.17	7.25	10.68	13.35	-2.68
EAA Fund UK Flex-Cap Equity															
Vanguard Active U.K. Equity Fund GBP Income Shares	11.25	13.40	-2.15	14.31	0.28	7.41	-7.13	2.10	--	--	--	--	2.65	6.17	-3.52
Vanguard Active U.K. Equity Fund GBP Accumulation Shares	11.27	13.40	-2.14	14.31	0.29	7.41	-7.12	2.10	--	--	--	--	2.66	6.17	-3.51
EAA Fund GBP Money Market - Short Term															
Vanguard Sterling Short-Term Money Market Fund Institutional Plus GBP Accumulation Shares	5.23	5.32	-0.08	4.82	3.23	3.35	-0.11	2.84	2.01	2.04	-0.03	1.77	1.95	1.98	-0.03
Vanguard Sterling Short-Term Money Market Fund Investor GBP Income Shares	5.22	5.32	-0.10	4.82	3.21	3.35	-0.14	2.84	2.01	2.04	-0.04	1.77	1.95	1.98	-0.04

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²⁶ Source: VIFI/Vanguard/Morningstar as at 30 September 2024. Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2024. Returns calculated in GBP.

Five year rolling performance of UK-domiciled funds

Vanguard fund ²⁶	1 OCT 2019 - 30 SEP 2020	1 OCT 2020 - 30 SEP 2021	1 OCT 2021 - 30 SEP 2022	1 OCT 2022 - 30 SEP 2023	1 OCT 2023 - 30 SEP 2024
Vanguard FTSE 100 Index Unit Trust					
Vanguard FTSE 100 Index Unit Trust GBP Acc	-18.03	25.21	0.84	14.51	11.73
Vanguard FTSE 100 Index Unit Trust GBP Inc	-18.04	25.21	0.82	14.50	11.71
Vanguard FTSE U.K. All Share Index Unit Trust					
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	-16.72	27.81	-4.46	13.78	13.80
Vanguard FTSE U.K. All Share Index Unit Trust GBP Inc	-16.74	27.79	-4.46	13.76	13.77
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Acc	-16.71	27.82	-4.46	13.78	13.80
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus GBP Inc	-16.73	27.80	-4.46	13.76	13.79
Vanguard® Investments Funds ICVC					
Vanguard Active U.K. Equity Fund GBP Accumulation Shares	--	15.82	-19.73	12.95	11.27
Vanguard Active U.K. Equity Fund GBP Income Shares	--	15.81	-19.73	12.94	11.25
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Acc	--	23.67	-7.58	10.95	20.97
Vanguard ESG Developed World All Cap Equity Index Fund (UK) GBP Inc	--	23.68	-7.58	10.95	20.97
Vanguard ESG Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Acc	--	--	-7.52	11.02	21.05
Vanguard ESG Developed World All Cap Equity Index Fund (UK) Institutional Plus GBP Inc	--	23.75	-7.52	11.02	21.06
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	0.27	21.38	-13.28	19.43	15.03
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Inc	0.27	21.38	-13.28	19.43	15.03
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Acc	0.31	21.42	-13.24	19.48	15.09
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus GBP Inc	0.31	21.43	-13.25	19.48	15.08
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Acc	6.82	23.24	-3.57	11.70	20.50
Vanguard FTSE Developed World ex-U.K. Equity Index Fund GBP Inc	6.82	23.24	-3.57	11.70	20.50
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Acc	6.88	23.31	-3.51	11.76	20.57
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus GBP Inc	6.88	23.32	-3.51	11.76	20.57
Vanguard FTSE Global All Cap Index Fund GBP Acc	4.38	23.09	-4.65	9.96	18.95
Vanguard FTSE Global All Cap Index Fund GBP Inc	4.37	23.07	-4.65	9.96	18.95
Vanguard FTSE U.K. Equity Income Index Fund GBP Acc	-21.09	27.38	3.10	13.71	18.04
Vanguard FTSE U.K. Equity Income Index Fund GBP Inc	-21.09	27.39	3.09	13.70	18.00
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Acc	-21.07	27.42	3.12	13.74	18.05
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus GBP Inc	-21.08	27.41	3.11	13.72	18.02
Vanguard Global Emerging Markets GBP Accumulation Shares	-0.84	22.73	-12.12	8.43	11.28
Vanguard Global Emerging Markets GBP Income Shares	-0.90	22.74	-12.13	8.38	11.29
Vanguard Global Equity GBP Accumulation Shares	12.68	24.77	-9.74	8.19	16.01
Vanguard Global Equity GBP Income Shares	12.66	24.76	-9.74	8.18	16.01
Vanguard Global Equity Income GBP Accumulation Shares	-9.05	24.21	7.98	9.58	15.15
Vanguard Global Equity Income GBP Income Shares	-8.50	24.26	7.97	9.58	15.15
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Acc	0.06	0.37	-27.11	-13.60	6.18
Vanguard U.K. Inflation-Linked Gilt Index Fund GBP Inc	0.06	0.37	-27.11	-13.60	6.18
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Acc	0.12	0.43	-27.07	-13.55	6.26
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus GBP Inc	0.12	0.43	-27.07	-13.55	6.26
Vanguard U.K. Long Duration Gilt Index Fund GBP Acc	5.36	-11.23	-35.67	-12.96	10.00
Vanguard U.K. Long Duration Gilt Index Fund GBP Inc	5.70	-11.23	-35.66	-12.95	10.00

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26 Source: VIF/ Vanguard/Morningstar as at 30 September 2024. Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2024. Returns calculated in GBP.

Vanguard fund ²⁶	1 OCT 2019 - 30 SEP 2020	1 OCT 2020 - 30 SEP 2021	1 OCT 2021 - 30 SEP 2022	1 OCT 2022 - 30 SEP 2023	1 OCT 2023 - 30 SEP 2024
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Acc	5.40	-11.19	-35.64	-12.92	10.04
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus GBP Inc	5.40	-11.19	-35.64	-13.04	10.24
Vanguard U.S. Equity Index Fund GBP Acc	9.00	26.31	-1.30	9.85	22.73
Vanguard U.S. Equity Index Fund GBP Inc	9.00	26.31	-1.30	9.85	22.72
Vanguard U.S. Equity Index Fund Institutional Plus GBP Acc	9.04	26.37	-1.26	9.90	22.77
Vanguard U.S. Equity Index Fund Institutional Plus GBP Inc	9.04	26.36	-1.26	9.89	22.77
Vanguard ActiveLife Climate Aware 40-50% Equity Fund GBP Acc	--	--	--	6.78	11.33
Vanguard ActiveLife Climate Aware 40-50% Equity Fund GBP Inc	--	--	--	6.77	11.33
Vanguard ActiveLife Climate Aware 60-70% Equity Fund GBP Acc	-1.86	15.83	-3.00	8.88	11.13
Vanguard ActiveLife Climate Aware 60-70% Equity Fund GBP Inc	-1.85	15.81	-2.99	8.88	11.13
Vanguard ActiveLife Climate Aware 80-90% Equity Fund A GBP Acc	--	--	--	11.23	11.27
Vanguard ActiveLife Climate Aware 80-90% Equity Fund A GBP Inc	--	--	--	11.26	11.27
Vanguard Global Capital Stewards Equity Fund GBP Acc	--	--	--	22.12	22.12
Vanguard Global Capital Stewards Equity Fund GBP Inc	--	--	--	11.61	22.11
Vanguard® Investments Money Market Funds					
Vanguard Sterling Short-Term Money Market Fund Institutional Plus GBP Accumulation Shares	0.40	0.01	0.54	3.99	5.23
Vanguard Sterling Short-Term Money Market Fund Investor GBP Income Shares	0.47	0.01	0.51	3.93	5.21
Vanguard LifeStrategy® Funds ICVC					
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Accumulation Shares	3.13	2.92	-15.40	1.57	11.19
Vanguard LifeStrategy 20 % Equity Fund GBP Gross Income Shares	3.13	2.92	-15.40	1.57	11.19
Vanguard LifeStrategy 40 % Equity Fund Accumulation Shares	2.51	7.64	-12.85	3.67	12.59
Vanguard LifeStrategy 40 % Equity Fund Income Shares	2.51	7.64	-12.85	3.67	12.59
Vanguard LifeStrategy 60 % Equity Fund Accumulation Shares	1.78	12.84	-10.28	6.22	14.48
Vanguard LifeStrategy 60 % Equity Fund Income Shares	1.78	12.84	-10.28	6.22	14.48
Vanguard LifeStrategy 80 % Equity Fund Accumulation Shares	0.87	18.17	-7.46	8.72	16.40
Vanguard LifeStrategy 80 % Equity Fund Income Shares	0.87	18.17	-7.46	8.72	16.40
Vanguard LifeStrategy 100 % Equity Fund Accumulation Shares	-0.17	23.54	-4.47	11.31	18.23
Vanguard LifeStrategy 100 % Equity Fund Income Shares	-0.18	23.54	-4.47	11.31	18.23
Vanguard Target Retirement 2015 Fund Accumulation Shares	2.01	7.19	-8.98	4.68	11.17
Vanguard Target Retirement 2020 Fund Accumulation Shares	1.85	10.28	-9.15	5.62	12.28
Vanguard Target Retirement 2025 Fund Accumulation Shares	1.76	12.42	-9.70	6.43	13.72
Vanguard Target Retirement 2030 Fund Accumulation Shares	1.55	13.71	-9.49	7.00	14.64
Vanguard Target Retirement 2035 Fund Accumulation Shares	1.35	15.04	-8.78	7.58	15.08
Vanguard Target Retirement 2040 Fund Accumulation Shares	1.07	16.44	-8.12	8.17	15.56
Vanguard Target Retirement 2045 Fund Accumulation Shares	0.93	17.80	-7.46	8.71	16.02
Vanguard Target Retirement 2050 Fund Accumulation Shares	0.97	17.92	-7.23	9.01	16.32
Vanguard Target Retirement 2055 Fund Accumulation Shares	0.91	17.92	-7.23	9.00	16.30
Vanguard Target Retirement 2060 Fund Accumulation Shares	0.93	17.96	-7.21	9.02	16.33
Vanguard Target Retirement 2065 Fund Accumulation Shares	1.00	17.89	-7.21	8.99	16.32

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26 Source: VIFI/Vanguard/Morningstar as at 30 September 2024. Peer group is defined as the Morningstar category, including UK, Luxembourg and Ireland-domiciled MFs and ETFs (all share classes). Does not include share classes that were launched in 2024. Returns calculated in GBP.

Comparison of Vanguard's charges versus the market for service provided

Table 1 shows the income and accumulation share classes **for those funds with only General share classes**. The average is across all funds, including those with Institutional Plus share classes as seen in Table 2.

Fund	VANGUARD ONGOING CHARGE FIGURE (OCF) %	AVERAGE SECTOR ONGOING CHARGE FIGURE (OCF) %	VANGUARD DIFFERENCE %
Vanguard Active U.K. Equity Fund	0.45	0.93	51
Vanguard FTSE 100 Index Unit Trust	0.06	0.67	91
Vanguard FTSE Global All Cap Index Fund	0.23	1.01	77
Vanguard Global Emerging Markets Fund	0.78	1.16	33
Vanguard Global Equity Fund	0.48	1.01	52
Vanguard Global Equity income Fund	0.48	1.21	60
Vanguard Global Captial Stewards Equity Fund	0.48	1.01	52
Vanguard LifeStrategy 20% Equity Fund	0.22	0.69	68
Vanguard LifeStrategy 40% Equity Fund	0.22	0.91	76
Vanguard LifeStrategy 60% Equity Fund	0.22	1.04	79
Vanguard LifeStrategy 80% Equity Fund	0.22	1.05	79
Vanguard LifeStrategy 100% Equity Fund	0.22	1.01	78
Vanguard ActiveLife Climate Aware 40-50% Equity Fund	0.48	1.04	54
Vanguard ActiveLife Climate Aware 60-70% Equity Fund	0.48	1.05	54
Vanguard ActiveLife Climate Aware 80-90% Equity Fund	0.48	1.03	53
Vanguard Target Retirement 2015 Fund	0.24	0.53	54
Vanguard Target Retirement 2020 Fund	0.24	0.53	54
Vanguard Target Retirement 2025 Fund	0.24	0.69	65
Vanguard Target Retirement 2030 Fund	0.24	1.17	79
Vanguard Target Retirement 2035 Fund	0.24	0.99	76
Vanguard Target Retirement 2040 Fund	0.24	0.97	75
Vanguard Target Retirement 2045 Fund	0.24	0.85	72
Vanguard Target Retirement 2050 Fund	0.24	0.77	69
Vanguard Target Retirement 2055 Fund	0.24	0.77	69
Vanguard Target Retirement 2060 Fund	0.24	0.77	69
Vanguard Target Retirement 2065 Fund	0.24	0.77	69
Average			73

Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. These default Morningstar peer groups include both index and active funds - we feel this best reflects how investors review our funds. Source: Morningstar as at 30 September 2024.

Table 2 shows the income and accumulation share classes **for those funds with Institutional Plus share classes**. The average is across all funds, including those with General share classes as seen in Table 1.

Fund	VANGUARD ONGOING CHARGE FIGURE (OCF) %	AVERAGE SECTOR ONGOING CHARGE FIGURE (OCF) %	VANGUARD DIFFERENCE %
Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK)	0.20	1.01	80
Vanguard ESG Screened Developed World All Cap Equity Index Fund (UK) Institutional Plus	0.13	1.01	87
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	0.12	0.88	86
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund Institutional Plus	0.08	0.88	91
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	0.14	1.01	86
Vanguard FTSE Developed World ex-U.K. Equity Index Fund Institutional Plus	0.08	1.01	92
Vanguard FTSE U.K. All Share Index Unit Trust	0.06	0.67	91
Vanguard FTSE U.K. All Share Index Unit Trust Institutional Plus	0.06	0.67	91
Vanguard FTSE U.K. Equity Income Index Fund	0.14	0.93	85
Vanguard FTSE U.K. Equity Income Index Fund Institutional Plus	0.12	0.93	87
Vanguard Sterling Short-Term Money Market Fund Institutional Plus	0.08	0.19	57
Vanguard Sterling Short-Term Money Market Fund Investor	0.12	0.19	36
Vanguard U.K. Inflation-Linked Gilt Index Fund	0.12	0.39	69
Vanguard U.K. Inflation-Linked Gilt Index Fund Institutional Plus	0.06	0.39	85
Vanguard U.K. Long Duration Gilt Index Fund	0.12	0.30	60
Vanguard U.K. Long Duration Gilt Index Fund Institutional Plus	0.08	0.30	73
Vanguard U.S. Equity Index Fund	0.10	0.88	89
Vanguard U.S. Equity Index Fund Institutional Plus	0.06	0.88	93
Average			73

Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. These default Morningstar peer groups include both index and active funds - we feel this best reflects how investors review our funds.
Source: Morningstar as at 30 September 2024.

Table 3 shows the difference in OCFs when using the customised Morningstar peer groups, separating active and index strategies.

Fund	INDEX FUND	VANGUARD ONGOING CHARGE FIGURE (OCF) %	AVERAGE SECTOR ONGOING CHARGE FIGURE (OCF) %	VANGUARD DIFFERENCE %
Vanguard ESG Screened Developed World All Cap Equity Index Fund	Yes	0.20	0.24	18
Vanguard FTSE 100 Index Unit Trust	Yes	0.06	0.28	79
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	Yes	0.12	0.11	-6
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	Yes	0.14	0.24	42
Vanguard FTSE Global All Cap Index Fund	Yes	0.23	0.24	5
Vanguard FTSE U.K. All Share Index Unit Trust	Yes	0.06	0.28	79
Vanguard FTSE U.K. Equity Income Index Fund	Yes	0.14	0.21	33
Vanguard U.K. Inflation-Linked Gilt Index Fund	Yes	0.12	0.28	58
Vanguard U.K. Long Duration Gilt Index Fund	Yes	0.12	0.11	-5
Vanguard U.S. Equity Index Fund	Yes	0.1	0.22	54
Vanguard Active U.K. Equity Fund	No	0.45	0.92	51
Vanguard Global Emerging Markets Fund	No	0.78	1.25	38
Vanguard Global Equity Fund	No	0.48	1.12	57
Vanguard Global Equity Income Fund	No	0.48	1.22	61
Vanguard Global Capital Stewards Equity Fund	No	0.48	1.12	57
Vanguard LifeStrategy 100% Equity Fund	No	0.22	1.12	80
Vanguard LifeStrategy 20% Equity Fund	No	0.22	0.70	68
Vanguard LifeStrategy 40% Equity Fund	No	0.22	0.90	76
Vanguard LifeStrategy 60% Equity Fund	No	0.22	1.04	79
Vanguard LifeStrategy 80% Equity Fund	No	0.22	1.04	79
Vanguard Sterling Short-Term Money Market Fund	No	0.12	0.19	35
Vanguard ActiveLife Climate Aware 40-50% Equity Fund	No	0.48	1.04	54
Vanguard ActiveLife Climate Aware 60-70% Equity Fund	No	0.48	1.04	54
Vanguard ActiveLife Climate Aware 80-90% Equity Fund	No	0.48	1.02	53
Vanguard Target Retirement 2015 Fund	No	0.24	0.53	54
Vanguard Target Retirement 2020 Fund	No	0.24	0.53	54
Vanguard Target Retirement 2025 Fund	No	0.24	0.68	65
Vanguard Target Retirement 2030 Fund	No	0.24	1.16	79
Vanguard Target Retirement 2035 Fund	No	0.24	0.99	76
Vanguard Target Retirement 2040 Fund	No	0.24	0.97	75
Vanguard Target Retirement 2045 Fund	No	0.24	0.88	73
Vanguard Target Retirement 2050 Fund	No	0.24	0.78	69
Vanguard Target Retirement 2055 Fund	No	0.24	0.78	69
Vanguard Target Retirement 2060 Fund	No	0.24	0.78	69
Vanguard Target Retirement 2065 Fund	No	0.24	0.78	69
Average				54

Comparison of ongoing charges relative to comparable share class of direct peers in their respective Morningstar category. Source: Morningstar as at 30 September 2024.

Important 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.

Vanguard Target Retirement Funds and 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.

An investment in a money market fund is not a guaranteed investment. An investment in a money market fund is different from an investment in deposits, as the amount invested in a money market fund is capable of fluctuation. Money market funds do not rely on external support for guaranteeing the liquidity of the money market fund or stabilising the Net Asset Value per share. The risk of loss of the amount invested shall be borne by the investor.

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

For Vanguard FTSE U.K. Equity Income Index Fund, 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

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