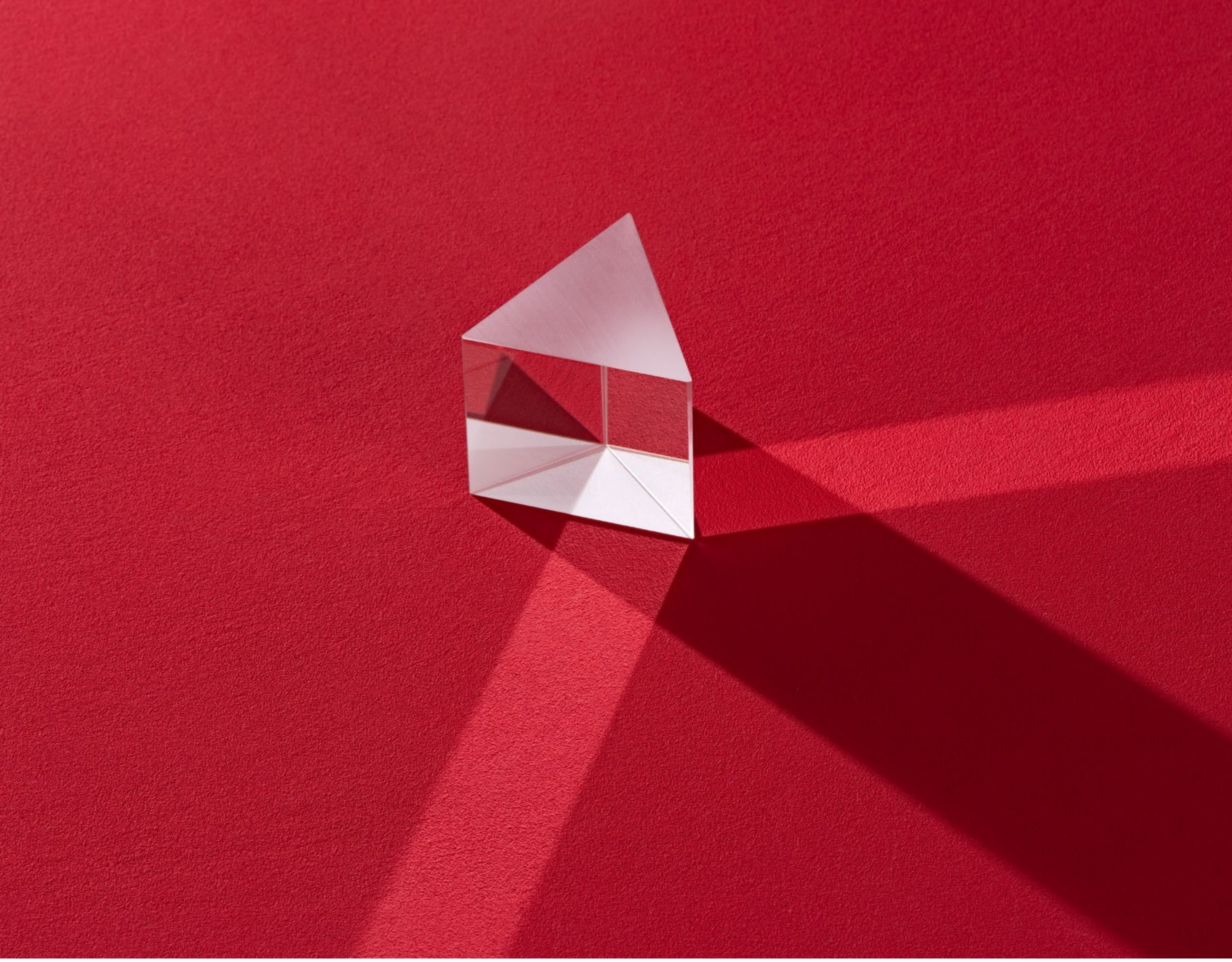


30 June 2026

Vanguard BlendedLife Dynamic 20% Equity MPS

Quarterly report

This is a marketing communication.
Vanguard only gives information on products and services and does not give investment advice based on individual circumstances. If you have any questions related to your investment decision or the suitability or appropriateness for you of the product[s] described, please contact your financial adviser.
The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Market commentary

Highlights

1

AI optimism and Iran war drove market and economic outcomes.

2

Shares outperformed bonds as AI investment boosted growth expectations.

3

Inflation and higher oil prices kept interest-rate uncertainty elevated.

Two contrasting forces shaped the global economy and financial markets during the second quarter: the energy shock caused by the Iran war and optimism surrounding artificial intelligence (AI).

Global shares significantly outperformed bonds, with US and emerging market shares leading the gains. Rising investment in AI-related infrastructure and expectations of stronger company earnings supported share prices. In contrast, bond returns were weaker as investors feared the Iran war could drive up inflation, raising the prospect that interest rates would remain higher for longer.

In the UK, the economy grew by 0.6% in the first quarter, while inflation fell from 3.3% in March to 2.8% in May. This was the lowest rate since March 2025, helped by favourable comparisons with higher prices a year ago and measures announced in November's Budget. The Bank of England highlighted uncertainty over its inflation outlook because of higher oil prices linked to the Iran war. Political uncertainty also increased after the prime minister resigned in June, with a new prime minister expected as early as mid-July. UK government bond prices weakened in the early part of the period, as investors assessed the implications of a change in leadership and new chancellor, but then as the situation unfolded recovered to their levels at the beginning of the quarter.

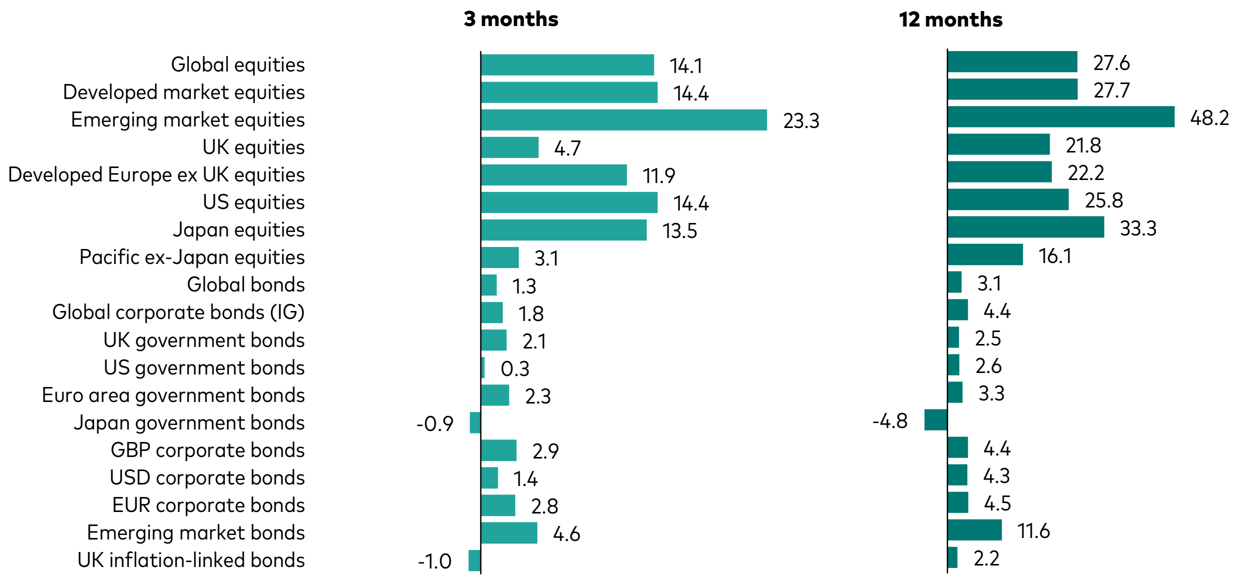
The US economy grew by 0.5% in the first quarter, largely driven by growing AI investment. Inflation rose from 3.5% in March to 4.1% in May, mainly because of higher petrol and computer chip prices. The Federal Reserve, the US central bank, kept interest rates unchanged and indicated that rates may need to remain higher for longer.

The Euro area economy fell 0.2% in the first quarter, while inflation rose from 2.6% in March to 2.8% in June, driven by sharply higher energy prices. The European Central Bank raised interest rates by 0.25 percentage points to 2.25% in June. Euro area bond yields rose on inflation concerns before easing later in the quarter as Middle East ceasefire talks progressed, reducing the risk of prolonged higher energy prices.

Source: Vanguard and Bloomberg, as at 30 June 2026.

Regional market performance

The chart below shows how equity and bond markets in different regions performed over the past 3 and 12 months, to 30 June 2026. The returns shown are in GBP and provide a high-level overview of markets. They are not the returns of the underlying funds in the BlendedLife Dynamic portfolios.



Past performance is not a reliable indicator of future results.

Source: Vanguard as at 30 June 2026. Total returns in GBP. Indices used: FTSE All World Net Tax TR GBP; FTSE Developed Index - Net Tax TR GBP; MSCI Emerging Markets Net Total Return GBP Index; FTSE All-Share Net Tax Index; 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

Portfolio introduction

A globally diversified portfolio that invests in a mix of active and index funds across shares (equities) and bonds, with a fixed allocation to cash. The target equity exposure is 20%, although this can increase and decrease by up to 5%. The portfolio uses a dynamic asset allocation approach, meaning the mix of underlying investments can change based on Wellington Management's investment views. Wellington's asset allocation is updated quarterly to reflect any changes in views.

Highlights

1

The BlendedLife Dynamic 20% Equity MPS made a positive return over Q2 2026.

2

US and emerging market shares led stock market gains.

3

Euro area and UK bonds gained, while Japanese government bonds came under pressure.

Market Overview

Global shares delivered strong returns in the second quarter of 2026, recovering from a period of volatility in April. Companies linked to artificial intelligence (AI) continued to perform well, with strong results helping to drive market gains. Global bonds delivered modest gains. Although concerns about inflation and geopolitical developments led to investors expecting interest rates to remain higher for longer, the income from bonds remained relatively attractive and helped cushion periods of market volatility. Bonds issued by companies remained relatively stable, supported by strong results, a solid economic backdrop and attractive income payments.

Performance

The BlendedLife Dynamic 20% Equity MPS delivered a positive return in Q2 2026.

The portfolio made a strong return primarily due to its positions in US and emerging market shares, with both performing well over the period. Among the portfolio's largest holdings, the Vanguard US Equity Index Fund and the Vanguard Emerging Markets Stock Index Fund contributed the most to returns.

Bond holdings also contributed positively to returns, with gains coming from a range of bond holdings, including government bonds, company bonds and emerging market debt. By contrast, the Vanguard Japan Government Bond Index Fund modestly weighed on returns.

Regulations require a full 12-month track record before we can show performance. Performance will be shown after 16 December 2026.

Source: Wellington (data as at 30 June 2026).

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Portfolio commentary

Quarterly activity

Changes were made to the portfolio in May to reflect both the long-term investment outlook and shorter-term market conditions.

Shares

We increased our positive view on shares. Company earnings have stayed strong and recent share price movements have created selective opportunities. While markets may remain unsettled in the short term, the overall backdrop remains supportive.

We have a more positive short-term view on emerging market shares. In the short term, AI-related growth is supporting emerging markets such as Korea and Taiwan, while China's economy and company earnings are showing signs of improvement. However, our longer-term outlook for emerging markets remains more cautious.

We have turned more negative on UK shares. While the long-term outlook for UK shares remains supportive, the near-term economic environment is more challenging as higher energy prices, related to the Middle East conflict, are adding to inflation pressures. However, this is partly offset by the strength of the energy sector.

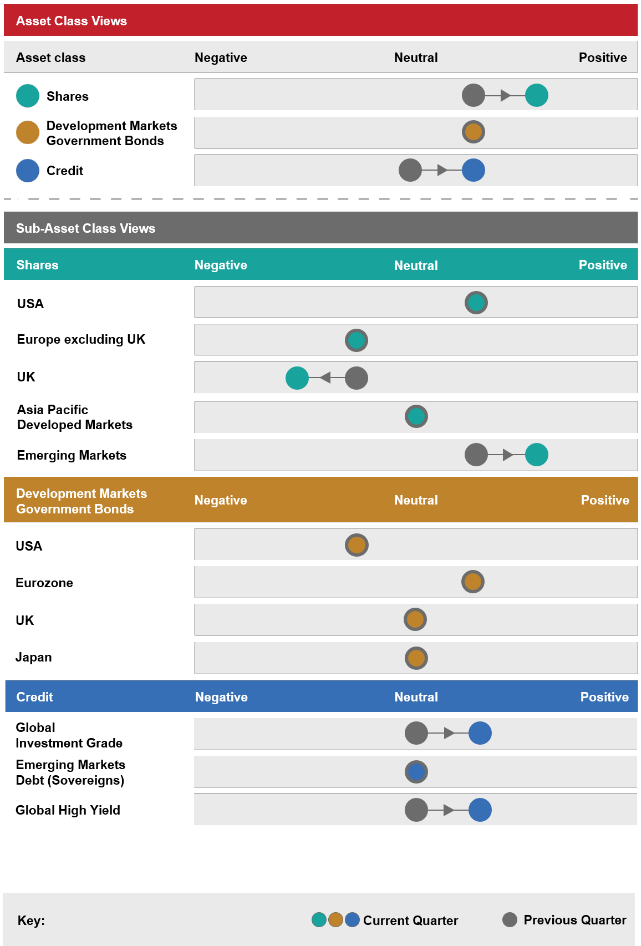
Bonds

The bond holding has been reduced to reflect our positive view on shares.

We have maintained our positive view on company bonds, particularly European corporate (company) bonds. While the overall backdrop remains supportive, there is currently less reward for taking on more risk, which limits attractive opportunities in the short term. Notwithstanding this, we see value in higher-quality corporate bonds, especially in Europe, where many companies remain financially healthy and the supply of new bonds is more limited. By contrast, US bond issuance has increased, partly due to AI-related investments.

Views by asset class

The chart below shows how Wellington's short-term views on each asset class have changed, if at all, from last quarter to this quarter.



Source: Wellington (data as at 13 May 2026).

Source: Wellington (data as at 13 May 2026).

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Portfolio commentary

Outlook

- **Geopolitics and inflation remain key drivers**
  Rising tensions in the Middle East have pushed up energy prices, which could increase inflation and slow economic growth if they remain high. We expect the impact to vary across regions, with the US likely to be more resilient than Europe, which may face greater challenges. A resolution to the conflict could help ease inflationary pressures and improve the outlook.

- **Shares supported by earnings and AI**
  Robust company earnings have continued to support stock markets. The growth of AI remains a key driver, particularly in the US and some emerging markets in Asia. While markets may stay volatile, differences in how regions are affected by higher energy prices are creating investment opportunities.

- **Higher bond yields create opportunities**
  Although higher inflation risk has led to lower bond prices, it has made bonds more attractive in yield terms, meaning investors can receive more income. We see opportunities in bonds issued by European companies, which are supported by healthy balance sheets and a limited supply of new bonds. By contrast, we remain more cautious on US corporate bonds.

- **Risks to our view**
  Risks to our view include persistently high energy prices, weaker economic growth or lower company returns from AI investments. Conversely, easing tensions in the Middle East and or stronger US productivity growth could support economic growth without higher inflation.

Source: Wellington (data as at 13 May 2026).

Objective and performance

Investment objective* and policy summary

The BlendedLife Dynamic 20% Equity MPS seeks long-term growth through a globally diversified portfolio of active and index funds investing in shares and bonds, alongside a fixed allocation to cash. The portfolio targets a 20% allocation to shares, although this may increase or decrease by up to 5%. The mix of investments is adjusted over time based on Wellington Management's investment views.

Portfolio Performance

Annualised performance

%, GBP, after all-in cost[4], as at 30 June 2026

	Year to date	1m	3m	6m	1yr	3yrs	5yrs	10yrs	Since inc.
BlendedLife Dynamic 20% Equity MPS	-	-	-	-	-	-	-	-	-

12-month return to:

%, GBP, after all-in cost[4]

	30 Jun 2022	30 Jun 2023	30 Jun 2024	30 Jun 2025	30 Jun 2026
BlendedLife Dynamic 20% Equity MPS	-	-	-	-	-

Statistics since inception

%, GBP, after all-in cost[4], as at 30 June 2026

	Cumulative return	Largest annual gain	Lowest annual performance	Monthly Volatility
BlendedLife Dynamic 20% Equity MPS	-	-	-	-

Regulations require a full 12-month track record before we can show performance. Performance will be shown after 16 December 2026.

Past performance is not a reliable indicator of future results.

Source: Vanguard (data as at 30 June 2026).

*The Model Portfolio's investment objective is defined at the portfolio level and therefore differs from the individual investment objectives of the underlying funds, each of which is governed by its own regulatory objective and policy and can be found in the Prospectus and KIIDs.

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Portfolio information

Asset allocation

73.56% Fixed Income
24.01% Equity
0.04% Other
2.39% Cash

Portfolio facts

Inception date	16 December 2025
Use of income	Reinvested
Domicile	UK
UK Reporting Status[1]	Yes
Number of holdings	21,900

Fees

Ongoing Charges Figure (OCF[2])	0.19%
Annual portfolio charge[3]	0.15%
All-in cost[4]	0.34%

Platforms offering this portfolio

Abrdn Wrap, AJ Bell, Quilter, Transact, Aviva, 7iM, Aegon Retirement Choices

Risk ratings[5]

Defaqto	2
Dynamic Planner	3
EValue (1-10, 15 years)	2
Finametrica	21-44
Oxford Risk (of 5)	1
Oxford Risk (of 7)	2

[1]For underlying funds.

[2]The Ongoing Charges Figure (OCF) covers the Annual Management Charge (AMC) together with administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the underlying funds. The managed portfolio service OCF is created by weighting and combining the underlying fund OCFs. It excludes transaction or dealing costs of the underlying funds.

[3]The 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.

[4]All-in cost 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.

[5]Risk ratings are independent measures that indicate how much risk a fund is expected to take, based on what it invests in and how much its value may rise and fall.
Defaqto data as at March 2026; Dynamic Planner as at Q2 2026; EValue data as at Q2 2026; FinaMetrica data as at 24 February 2026; Oxford Risk data as at 19 February 2026.

What the portfolio invests in

Underlying funds and their proportion of the portfolio

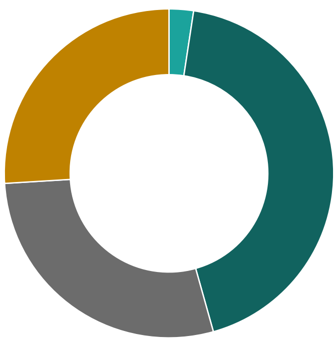
Approach
Active
Passive

Equity allocation	(%)
Vanguard U.S. Equity Index Fund GBP Acc	7.8
Vanguard Emerging Markets Stock Index Fund GBP Acc	3.9
Pzena U.S. Large Cap Value Fund GBP Acc	2.6
Vanguard Global Emerging Markets Fund GBP Acc	2.0
MFS Meridian Funds Continental European Equity Fund WS1 GBP	1.7
PGIM Jennison U.S. Growth Fund GBP V Acc	1.6
Lazard Japanese Strategic Equity Fund V GBP Acc	1.0
Baillie Gifford American Fund N Acc	1.0
Vanguard Pacific ex-Japan Stock Index Fund GBP Acc	0.8
Vanguard Japan Stock Index Fund GBP Acc	0.7
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund GBP Acc	0.4
Schroder Prime U.K. Equity Fund GBP Acc	0.3
Vanguard FTSE U.K. All Share Index Unit Trust GBP Acc	0.3

Fixed Income allocation	(%)
Vanguard U.S. Government Bond Index Fund GBP Hedged Acc	21.2
Vanguard Euro Government Bond Index Fund GBP Hedged Acc	12.9
Vanguard Global Credit Bond Fund Institutional Plus GBP Hedged Acc	11.2
Vanguard Japan Government Bond Index Fund GBP Hedged Acc	8.0
Vanguard U.S. Investment Grade Credit Index Fund GBP Hedged Acc	6.7
Vanguard Global Strategic Bond Fund Institutional Plus GBP Hedged Acc	4.1
Vanguard Euro Investment Grade Bond Index Fund GBP Hedged Acc	3.8
Vanguard Emerging Markets Bond Fund Institutional Plus GBP Hedged Acc	3.4
Vanguard U.K. Government Bond Index Fund GBP Acc	2.2
Vanguard U.K. Investment Grade Bond Index Fund GBP Acc	0.6
Cash	**2.0**

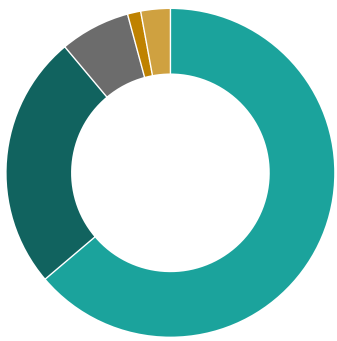
Investment breakdown

Bond investments by time to maturity



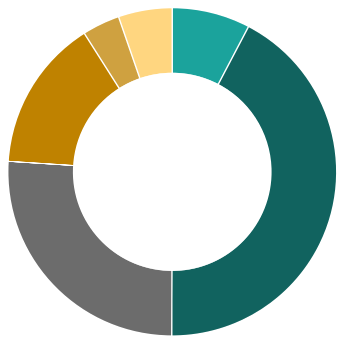
- **2.4%** Under 1 year
- **43.3%** 1-5 years
- **28.4%** 5-10 years
- **26.0%** Over 10 years

Bond investments by type of issuer[1]



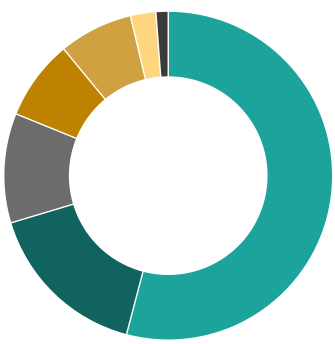
- **63.8%** Government
- **25.1%** Corporate
- **6.9%** Government-related
- **1.3%** Securitised
- **2.9%** Other

Bond investments by credit rating



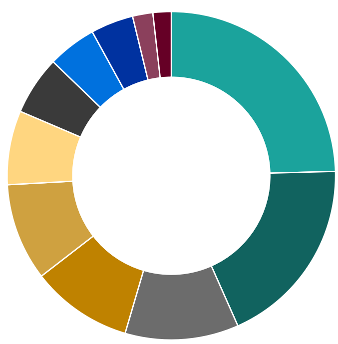
- **7.7%** AAA
- **42.4%** AA
- **26.0%** A
- **15.0%** BBB
- **3.7%** Less than BBB
- **5.3%** Not rated

Equity investments by region



- **54.2%** North America
- **16.3%** Emerging Markets
- **10.8%** Europe ex-UK
- **7.9%** Pacific Basin ex-Japan
- **7.3%** Japan
- **2.5%** UK
- **1.2%** Other

Equity investments by industry



- **24.6%** Information Technology
- **18.8%** Financials
- **11.2%** Consumer Discretionary
- **10.0%** Industrials
- **9.6%** Healthcare
- **7.3%** Communication Services
- **5.8%** Consumer Staples
- **4.8%** Materials
- **4.2%** Energy
- **2.0%** Utilities
- **1.8%** Real Estate

Source: Vanguard (data as at 30 June 2026).
[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: breakdowns may not add up to 100% due to rounding. Equity and fixed income breakdowns are provided on a look-through basis. Holdings are provided at the fund level.

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Active fund management

This is an approach to investing that sees an investment manager select shares and other assets in accordance with the fund's investment objectives.

Annualised performance

Shows the average return per year over a period, assuming returns are compounded each year (i.e. the investor earns a return on their return as well as the original capital).

Asset allocation

This refers to the mix of different assets (or investments), such as shares and bonds, in a portfolio.

Asset, asset class

A category of investment that displays similar characteristics, for example, shares, bonds or property.

Bonds

Bonds are a type of loan issued by governments or companies, which typically pay a fixed amount of interest and return the capital at the end of the term.

Corporate bonds

Corporate bonds are loans to companies, used to fund business activities. They usually pay higher income than government bonds, reflecting the higher level of risk.

Credit rating (bonds)

Indicates how likely a bond issuer is to meet its debt payments. Higher ratings, such as AAA, typically mean lower risk, while lower ratings, such as BBB or below, indicate higher risk but potentially higher returns.

Cumulative performance

Shows the return over a period of time, reflecting the overall change in value from the start to the end of the period.

Derivatives

A financial contract whose value is linked to another asset, such as a share or bond.

Diversification

This is a strategy designed to reduce the risk in an investment portfolio by holding a wide range of assets. This helps to manage risk because better-performing investments can help to offset those that perform less well, over time.

Equities/shares

Equities – also known as shares – are a way to own a stake in a company.

Fund

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

Fund manager

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

Government bonds

Government bonds are loans to a government. They are generally seen as lower risk than corporate bonds, but usually provide lower income in return.

Government-related bonds

Bonds issued by organisations owned or supported by government, rather than by the government itself. They typically offer higher income but slightly higher risk than government bonds.

Inception date

The date when the fund began operating and recording its performance.

Index

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

Index fund

An index fund aims to follow the performance of a market index by investing in the same or similar assets.

Index-linked bonds

Bonds where the interest payments and the amount repaid at maturity are adjusted in line with inflation.

Index provider

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

Inflation

Inflation is the rise in prices for goods and services over time, meaning your money buys less than it used to.

Investment 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.

Maturity (bonds)

Maturity is when a bond is due to be repaid and the investor receives their original investment back.

Monthly volatility

A measure of how much an investment's returns vary from month to month. A monthly volatility of 3% means the monthly return will be 3 percentage points above or below the average monthly return most of the time, but there's a smaller chance it will fall outside that range.

NURS (Non-UCITS retail schemes)

Non-UCITS Retail Schemes (NURS) are a type of UK investment fund that can invest more flexibly than UCITS funds. They can hold a wider range of investments, such as property or private companies, and they can invest more heavily in certain areas, including other funds.

OCF (ongoing charges figure)

The ongoing charges figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds.

Portfolio

This is a collection of individual investments or funds that is usually created to meet specific goals, such as long-term capital growth. A model portfolio is a pre-built collection of investments – a model portfolio manager or financial adviser selects the investments (usually funds) within the model portfolio.

Rebalancing

Rebalancing is the process of adjusting the balance of assets in a portfolio (such as shares and bonds) to maintain its target asset mix over time.

Recession

A recession is typically defined as two consecutive quarters (three-month periods) of negative economic growth.

Securitised bonds

Bonds that are backed by a pool or loans or other assets, such as mortgages or credit card debt. The income paid to investors comes form the repayments made on those underlying loans, rather than from a single issuer.

SRRI (Synthetic Risk and Reward Indicator)

Synthetic Risk and Reward Indicator is used to indicate the level of risk of a NURS fund on a scale of 1 to 7, with 1 representing low risk and 7 representing high risk.

UK investment-grade bonds

Investment-grade bonds are considered to have a lower risk of default and receive higher rates by credit rating agencies – typically BBB or above. The opposite to an investment-grade bond is a high-yield or 'junk' bond.

Valuations

A measure of how well company share prices are justified by important measures such as their earnings.

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.

Key investment risks

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. The price or value of investments may fluctuate significantly. 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.

Risks related to the underlying funds. The below represent the main risks of investing in the underlying funds. For further information on the risks of the underlying funds, please refer to the prospectus and KIID of the underlying funds. The KIID for each fund is available, alongside the prospectus via the fund manager's website https://global.vanguard.com/. For third-party funds, please visit the respective provider's website.

Concentration risk. Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.

Counterparty risk. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Currency exchange risk. Movements in currency exchange rates can adversely affect the return of your investment.

Emerging markets risk. Emerging markets are generally more sensitive to economic and political conditions than developed markets. Other factors include greater 'Liquidity Risk', restrictions on investment or transfers of assets and failed/ delayed delivery of securities or payments to the Fund.

Liquidity risk. Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily. This could cause the Fund to incur higher costs when buying or selling investments or could mean that the Fund is not able to buy or sell investments when it would like to do so.

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

For further information on the model portfolio (s) risks please see the Understanding the Risks: Vanguard BlendedLife Dynamic model portfolio solutions document at https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/blendedlife-understanding-the-risks.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 investors in UK domiciled funds, a summary of investor rights can be obtained via https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/Vanguard-InvestorsRightsSummaryUKFUNDSJan22.pdf and is available in English.

For investors in Ireland domiciled funds, a summary of investor rights can be obtained via https://www.ie.vanguard/content/dam/intl/europe/documents/en/vanguard-investors-rights-summary-irish-funds-jan22.pdf and is available in English, German, French, Spanish, Dutch and Italian.

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