

GLOBAL EQUITY FUND

Quarterly update

LOW-COST ACTIVE EQUITY

Vanguard Global Equity Fund is an actively managed fund that can invest anywhere in the world. Its two independent sub-advisers follow distinct, yet complementary approaches in managing approximately equal portions of the fund's assets. Baillie Gifford is a growth investor with a long-term perspective. Wellington is a value manager seeking to take advantage of opportunities created by behavioural biases.

Highlights

- Global financial markets performed unevenly over the quarter.
- Europe and the UK were the top-performing regions over the period.
- Value stocks outperformed growth stocks.
- The Vanguard Global Equity Fund underperformed its benchmark.
- Wellington and Baillie Gifford continue to focus on bottom-up research and strong fundamentals.

Market overview

Global financial markets performed unevenly in the first quarter of 2025. Most global equity markets fell. Early in the quarter, the release of a new artificial intelligence (AI) model by Chinese AI startup DeepSeek caused the share price of US technology companies to sell off heavily. More persistently throughout the quarter, concerns relating to US trade tariffs drove US equities to post steep declines. As the quarter came to a close, the prospect of "Liberation Day" and further tariffs weighed on the broader US equity market. In contrast, UK and European equities recorded positive returns for the quarter, during which Germany announced plans to significantly raise its spending on defence and infrastructure.

Fund performance

The Vanguard Global Equity Fund returned -4.31% over the quarter and underperformed its benchmark, the FTSE All World Net Tax (UK UCITS) Index in GBP, which returned -4.00%¹.

At the overall fund level, stock selection within the industrials and health care sectors detracted from returns. This was partially offset by stock selection within, and an underweight allocation to, the technology sector, which buoyed returns. On a regional basis, stock selection in Europe detracted from relative returns, while an overweight allocation to the region boosted returns.

Baillie Gifford underperformed, while Wellington outperformed the benchmark.

Baillie Gifford's underperformance was driven by stock selection in the industrials sector and an overweight allocation to the technology sector. This was partially offset by stock selection within the technology and consumer discretionary sectors, which contributed to relative returns. On a regional basis, stock selection was mostly a detractor from relative returns, particularly in Europe.

Wellington's outperformance was driven by stock selection in the consumer discretionary sector and an underweight allocation to the technology sector. Meanwhile, stock selection within the industrials and health care sectors detracted from relative returns. On a regional basis, an overweight allocation to Europe boosted returns, while an underweight allocation to emerging markets detracted from performance.

At the individual stock level, the largest held detractors were The Trade Desk and Block.

The share price of The Trade Desk, a US multinational technology company that specialises in marketing automation technologies, experienced a decline over the quarter due to slower-than-expected growth and projected increases in operating costs.

The share price of Block, a US technology and financial services company, declined due to guidance for slower profit growth in 2025. Despite this, the company's long-term outlook remains strong, driven by the continued expansion of some of its business segments.

¹Source: Vanguard, as at 31 March 2025. Performance is calculated net of fees, on a NAV-to-NAV basis with gross income reinvested.

The largest held positive contributors over the quarter were Societe Generale and Prosus.

The share price of Societe Generale, a French financial services company, gained following strong fourth-quarter earnings, surpassing expectations. Additionally, the company announced a €1.7 billion dividend and buyback programme, signalling a potential recovery in French retail banking.

The share price of Prosus, a global technology investor group headquartered in the Netherlands, rose during the quarter amid broader market declines. The group's significant stake in Tencent, a Chinese social media and gaming company, helped it to benefit from the rally in Chinese equities driven by supportive stimulus measures and positive signals for private enterprise.

Activity

Baillie Gifford initiated a position in Disco Corporation, a Japanese precision tools maker for the semiconductor industry. The company is well-positioned to benefit from rising artificial intelligence (AI)-driven chip demand and evolving manufacturing techniques requiring more intensive grinding.

Baillie Gifford exited its position in US chemicals manufacturing firm Albemarle, the world's largest lithium producer, due to rising concerns about its competitive positioning and a declining likelihood of sustained high lithium prices. Advances in Chinese refining and a shift towards hard-rock mining have eroded Albemarle's cost advantage and strategic relevance, according to the investment team.

Wellington initiated a position in CACI International, a US information technology company which provides services to a number of branches of the US government including defence, intelligence and health care. Following a 30% share price decline driven by concerns over government spending cuts, the investment team believes that it offers upside potential as the US administration pivots towards strategic reinvestment. It believes that CACI is well-placed to benefit from increased outsourcing and cloud migration amid shifting government priorities.

Wellington exited its position in US airline Delta Air Lines due to signs of weakening demand in bookings, driven by reduced corporate travel. The outlook was clouded by US government spending cuts, which are expected to further weigh on business travel demand.

Outlook

The team at Baillie Gifford views market volatility as an opportunity to apply a long-term investment lens. Recent dislocations have revealed a range of underappreciated growth opportunities, supported by ongoing thematic research. While it trades at a modest premium to the index, the portfolio offers significantly more diversified growth potential from a diversified range of sources. The investment team emphasises that market timing is inherently uncertain; however, the portfolio is positioned to benefit as fundamentals gradually drive the share prices of select stocks higher.

The investment team at Wellington actively engages with opportunities as pockets of share price weakness persist, leveraging the broader Wellington organisation to conduct thorough research and analysis. The team emphasises that value investing alone, based solely on being "cheap", rarely leads to sustained outperformance. Wellington believes combining value with improving company fundamentals is the key to earnings growth. The team has identified numerous opportunities where both value and positive fundamentals align, with expected long-term success.

Key fund facts (as at 31 March 2025)

Investment managers: Baillie Gifford Overseas Ltd,
Wellington Management Company LLP

Inception date: 25 May 2016

Domicile: United Kingdom

Benchmark: FTSE All World Net Tax (UK UCITS) Index in GBP

Peer group: IA Global

Ongoing charges figure¹: 0.48%

Fund AUM: GBP 450m

Number of holdings: 205

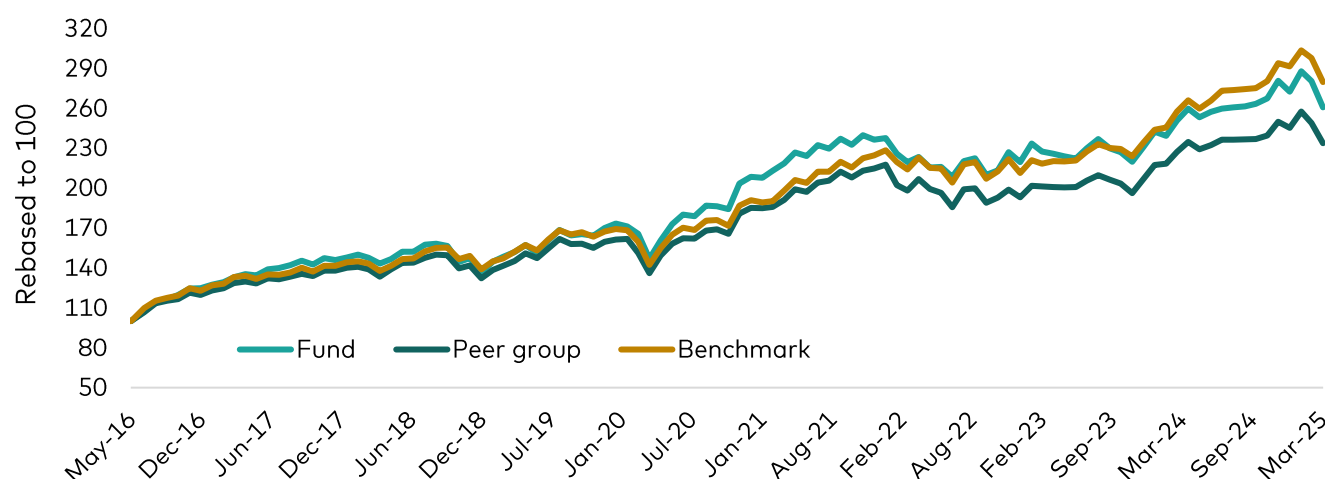
Median market cap: GBP 46.1B

PE ratio: 20.6X

Equity yield (dividend): 1.7%

ISIN: GB00BZ82ZT69

Fund performance (Cumulative % growth, GBP, 25 May 2016 to 31 March 2025)



Cumulative return (%) as at 31 March 2025	YTD	3 month	1 year	3 yr (ann.)	5 yr (ann.)	Since inception (ann.)
Fund	-4.31	-4.31	0.42	5.27	12.18	11.44
Baillie Gifford	-7.01	-7.01	-3.24	2.85	9.62	11.20
Wellington	-1.53	-1.53	4.11	7.21	14.21	11.37
Peer group	-4.69	-4.69	-0.35	4.18	11.45	10.08
Fund relative to peer group	0.38	0.38	0.77	1.09	0.73	1.37
Benchmark	-4.00	-4.00	5.22	7.87	14.49	12.33
Fund relative to benchmark	-0.30	-0.30	-4.80	-2.60	-2.31	-0.89

12-month return (%) to:	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023	31 Mar 2024	31 Mar 2025
Fund	--	--	5.75	6.08	-3.35	48.90	2.26	1.02	15.00	0.42
Peer group	-3.20	29.03	2.87	8.74	-6.31	40.58	8.15	-2.84	16.80	-0.35
Benchmark	-0.76	32.75	2.60	10.44	-6.47	39.27	12.51	-1.14	20.68	5.22

Past performance is not a reliable indicator of future results.

Source: Vanguard and Morningstar. Performance figures include the reinvestment of all dividends and any capital gains distributions. Basis of fund performance NAV to NAV. Basis of index performance is total return. All performance is calculated in GBP, net of fees. Note that small daily changes to cash balances and manager weights mean the fund return is not a simple average of the subadvisor returns over the quarter.

¹The Ongoing Charges Figure (OCF) covers the fund manager's costs of managing the fund. It does not include dealing costs or additional costs such as audit fees.

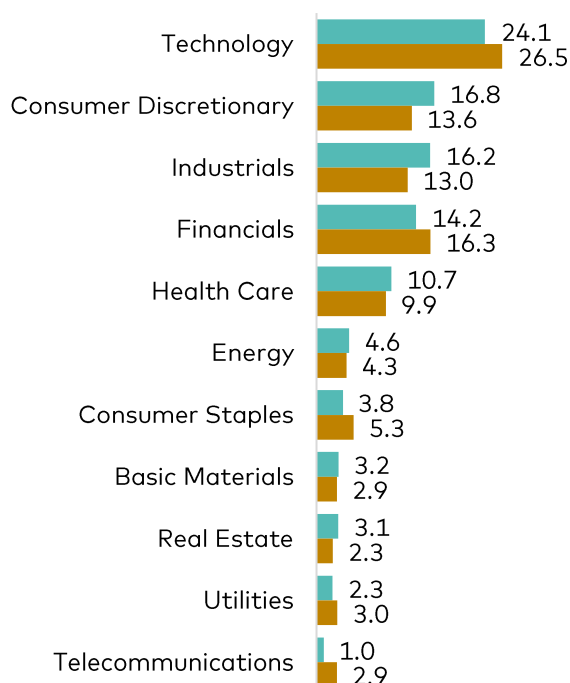
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Top 10 fund holdings (% exposure, as at 31 March 2025)

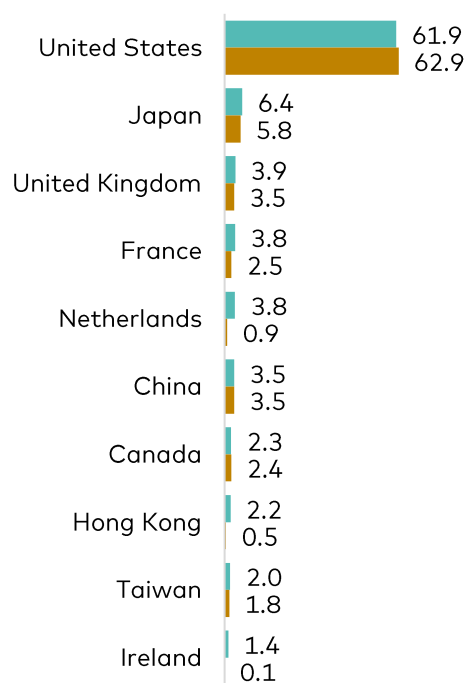
Company	%
Meta Platforms Inc	1.9
Amazon.com Inc	1.8
Microsoft Corp	1.8
Prosus NV	1.6
NVIDIA Corp	1.6
Taiwan Semiconductor Manufacturing Co Ltd	1.4
DoorDash Inc	1.3
Alphabet Inc	1.3
Elevance Health Inc	1.3
Mastercard Inc	1.1

Breakdown (as at 31 March 2025)

Sector exposure (%)



Regional exposure – top 10 regions (%)



■ Fund ■ Benchmark

Source: Vanguard, as at 31 March 2025.

Benchmark: FTSE All World Net Tax (UK UCITS) Index in GBP.

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Performance analysis¹

Top contributors 3-month (%)

Company name	Portfolio weight	Bench weight	3-month return	Total effect
Tesla Inc.	0.0	0.9	-37.7	0.5
Apple Inc.	0.0	4.2	-13.9	0.4
NVIDIA Corporation	1.6	3.3	-21.7	0.4
Societe Generale SA	0.7	0.0	54.2	0.3
Broadcom Inc.	0.5	1.0	-29.7	0.3

Top detractors 3-month (%)

Company name	Portfolio weight	Bench weight	3-month return	Total effect
Trade Desk Inc.	0.4	0.0	-54.8	-0.4
Block Inc.	0.5	0.0	-38.0	-0.3
Berkshire Hathaway Inc.	0.0	1.3	13.9	-0.2
Alibaba Group Holding Limited	0.0	0.4	50.5	-0.1
DISCO Corporation	0.3	0.0	-42.3	-0.1

Top contributors 12-month (%)

Company name	Portfolio weight	Bench weight	12-month return	Total effect
Prosus N.V.	1.7	0.1	43.7	0.4
Microsoft Corporation	1.9	3.6	-12.0	0.4
Societe Generale SA	0.7	0.0	82.9	0.4
DoorDash Inc.	1.4	0.1	29.9	0.3
Sea Limited	0.6	0.0	137.8	0.3

Top detractors 12-month (%)

Company name	Portfolio weight	Bench weight	12-month return	Total effect
Apple Inc.	0.0	4.2	27.2	-0.8
Martin Marietta Materials Inc.	0.9	0.0	-23.3	-0.5
Ryanair Holdings plc	0.8	0.0	-24.6	-0.5
NVIDIA Corporation	1.6	3.3	17.4	-0.4
Block Inc.	0.5	0.0	-37.1	-0.3

Past performance is not a reliable indicator of future results.

¹ Weights are as at the end of the reporting period, but the total effect is based on positions held over the full period. The portfolio attribution data shown above is provided by FactSet based on information provided by Vanguard about the fund's daily portfolio holdings as of the market close. Because the fund buys and sells stocks throughout the trading day and not necessarily at the market close, the attribution data shown above is an estimate and may not precisely reflect actual attribution information.

Source: FactSet, as at 31 March 2025. FactSet is a holdings-based attribution tool. Portfolio transactions are valued at closing price, which may cause some slight deviations with the fund return (based on NAV).

Note: performance attribution is sourced from FactSet, therefore the portfolio weights shown may differ from those on the previous page.

Benchmark: FTSE All World Net Tax (UK UCITS) Index in GBP.

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Investment risk information

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

Past performance is not a reliable indicator of future results.

Some funds invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall.

Investments in smaller companies may be more volatile than investments in well-established blue chip companies.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only.

The Funds may use derivatives in order to reduce risk or cost and/or generate extra income or growth. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value. A derivative is a financial contract whose value is based on the value of a financial asset (such as a share, bond, or currency) or a market index.

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

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

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