

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.
- Developed markets, led by the US, were the strongest performers over the period.
- Growth stocks outperformed value 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 fourth quarter of 2024. US equities posted gains amid resilient economic growth and optimism about future tax cuts and deregulation. The US Federal Reserve's signalling of less enthusiasm for further interest rate cuts, however, trimmed those returns and hurt bond prices. Weaker economic growth outside the US contributed to negative returns from many regions, notably European equities.

Fund performance

The Vanguard Global Equity Fund returned 3.43% over the quarter and underperformed its benchmark, the FTSE All World Net Tax (UK UCITS) Index in GBP, which returned 5.89%¹.

At the overall fund level, negative stock selection within the health care and technology sectors detracted from returns. This was partially offset by favourable stock selection within real estate and an overweight exposure to the consumer discretionary sector. At a regional level, negative stock selection in North America detracted from returns. This was partially offset by an underweight allocation to emerging markets.

Both Wellington and Baillie Gifford underperformed.

Wellington's underperformance was driven by negative stock selection and an underweight allocation to the technology sector. Meanwhile, favourable stock selection within financials and

health care boosted returns. From a regional lens, negative stock selection in North America detracted from performance, while favourable selection in emerging markets boosted returns.

Baillie Gifford's underperformance was driven by negative stock selection within the health care and industrials sectors. This was partially offset by an overweight allocation to consumer discretionary and an underweight allocation to consumer staples. From a regional lens, negative stock selection in North America detracted from performance, while an underweight allocation to Asia Pacific boosted returns.

At the stock level, the largest held detractors were Elevance Health and Enphase Energy.

The share price of Elevance Health, a US health insurer, experienced a decline over the period due to concerns over insurance claims practices and high costs in the healthcare system. Additionally, the proposed legislation to break up pharmacy benefit managers (PBMs), potentially forcing Elevance to divest its PBM business, weighed on the share price.

The share price of Enphase Energy, a US energy technology company, declined due to underwhelming third-quarter earnings results and lowered fourth-quarter revenue guidance, which were affected by weak demand and competitive pricing in Europe. However, Wellington maintains confidence in the long-term demand recovery for residential solar power in Europe.

¹ Source: Vanguard, as at 31 December 2024. 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 Shopify and DoorDash.

The share price of Shopify, a Canadian e-commerce services company, rose over 45% in December alone due to strong quarterly results. The company's management provided an optimistic outlook, and Baillie Gifford sees further opportunities for Shopify to increase profit margins by expanding into Europe, for example, and improving client experience through its Shopify Plus platform.

The share price of DoorDash, a US online food ordering company, was driven by a significant increase in total orders due to growth in both restaurant and grocery deliveries. The firm achieved its first quarterly operating profit since 2020 in the last quarter of 2024 and the company's subscriber base grew to 37 million.

Activity

Wellington initiated a position in Uber Technologies, a US multinational transportation company that provides ride-hailing services, courier services, food delivery and freight transport. The investment team made the decision after Uber announced potential plans to acquire travel companies, including the travel booking website Expedia, as it looks to further diversify its business and find new avenues for growth. Uber is also positioning itself as a major player in the emerging robotaxi industry, which is expected to see significant growth.

Wellington exited its position in Corpay, a US digital payments company, following a period of strong performance.

Baillie Gifford initiated a position in Brookfield Corporation, a Canadian multinational company with holdings in real and alternative assets, including Brookfield Asset Management (BAM), infrastructure, property and renewables. Due to the business' complexity, Baillie Gifford believes the company currently trades at a discount to its asset value, which may narrow as more BAM shares are listed, making it a potentially attractive investment opportunity.

Baillie Gifford trimmed its position in CRH, the Irish building materials company. The company had strong operational performance despite inflation and a weak housing market, doubling its share price over the last two years. While it is well placed to benefit from increased US infrastructure spending, the position was trimmed following a period of share price strength.

Outlook

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.

The team at Baillie Gifford emphasises the long-term alignment of share prices with earnings growth. While markets focus on the potential effect of the changing administration in the US, interest rate shifts and the rise of artificial intelligence, the portfolio's companies are making strong progress in their growth opportunities. The investment team believes that an expanding range of diverse growth drivers supports this progress, enhancing resilience and positioning the portfolio to deliver strong long-term performance.

Key fund facts (as at 31 December 2024)

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 473m

Number of holdings: 196

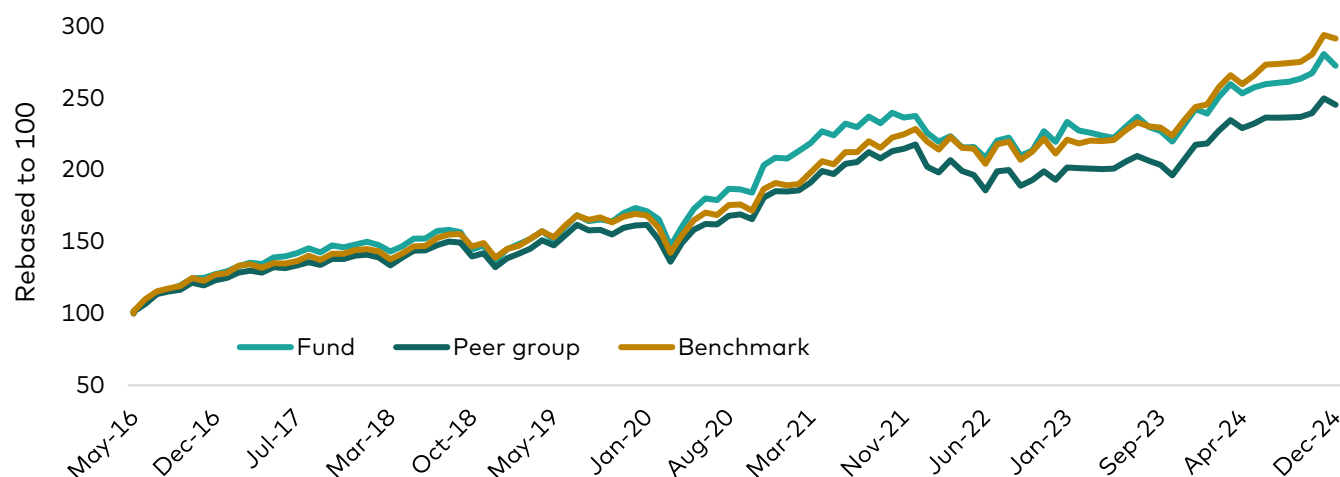
Median market cap: GBP 50.3B

PE ratio: 20.5X

Equity yield (dividend): 1.6%

ISIN: GB00BZ82ZT69

Fund performance (Cumulative % growth, GBP, 25 May 2016 to 31 December 2024)



Cumulative return (%) as at 31 December 2024	YTD	3 month	1 year	3 yr (ann.)	5 yr (ann.)	Since inception (ann.)
Fund	12.43	3.43	12.43	4.68	9.46	12.36
<i>Baillie Gifford</i>	<i>13.33</i>	<i>3.71</i>	<i>13.33</i>	<i>0.83</i>	<i>8.04</i>	<i>12.49</i>
<i>Wellington</i>	<i>10.99</i>	<i>3.17</i>	<i>10.99</i>	<i>7.75</i>	<i>10.08</i>	<i>11.91</i>
Peer group	12.81	3.59	12.81	4.07	8.76	11.00
<i>Fund relative to peer group</i>	<i>-0.37</i>	<i>-0.16</i>	<i>-0.37</i>	<i>0.60</i>	<i>0.70</i>	<i>1.37</i>
Benchmark	19.54	5.89	19.54	8.44	11.47	13.25
<i>Fund relative to benchmark</i>	<i>-7.11</i>	<i>-2.47</i>	<i>-7.11</i>	<i>-3.77</i>	<i>-2.01</i>	<i>-0.88</i>

12-month return (%) to:	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024
Fund	--	--	16.17	-7.70	27.03	20.17	14.00	-7.60	10.40	12.43
Peer group	2.85	23.94	13.87	-5.71	22.01	14.81	17.57	-11.34	12.66	12.81
Benchmark	3.77	29.20	13.54	-3.70	21.98	12.71	19.73	-7.54	15.39	19.54

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.

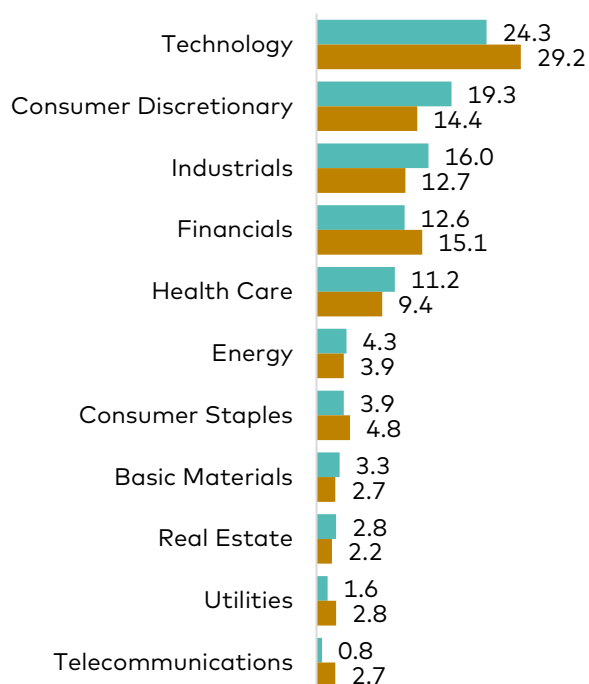
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Top 10 fund holdings (% exposure, as at 31 December 2024)

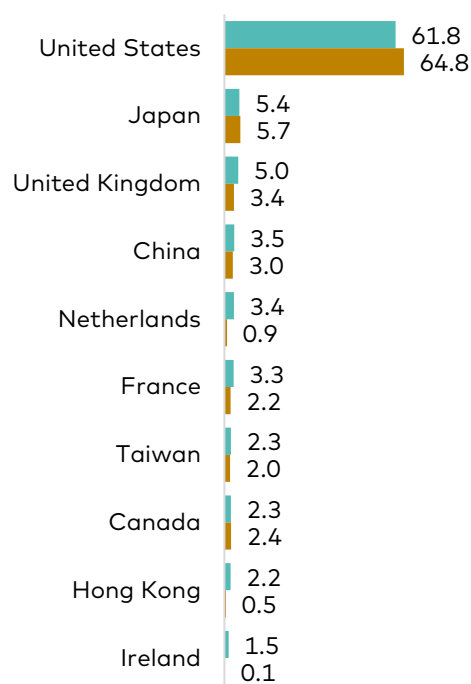
Company	%
Amazon.com Inc	2.0
Microsoft Corp	1.9
Meta Platforms Inc	1.9
NVIDIA Corp	1.9
Taiwan Semiconductor Manufacturing Co Ltd	1.6
Martin Marietta Materials Inc	1.4
Prosus NV	1.4
DoorDash Inc	1.3
Alphabet Inc	1.1
CRH PLC	1.1

Breakdown (as at 31 December 2024)

Sector exposure (%)



Regional exposure – top 10 regions (%)



■ Fund ■ Benchmark

Source: Vanguard, as at 31 December 2024.

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
Shopify Inc.	0.9	0.0	42.1	0.3
Dutch Bros Inc.	0.4	0.0	75.1	0.2
EQT Corporation	0.3	0.0	35.3	0.2
Raymond James Financial Inc.	0.8	0.0	36.3	0.2
DoorDash Inc.	1.3	0.1	25.9	0.2

Top detractors 3-month (%)

Company name	Portfolio weight	Bench weight	3-month return	Total effect
Tesla Inc.	0.0	1.4	65.3	-0.5
Elevance Health Inc.	1.1	0.1	-23.7	-0.4
Apple Inc.	0.0	4.6	15.2	-0.4
Broadcom Inc.	0.3	1.4	44.3	-0.3
NVIDIA Corporation	2.0	4.0	18.4	-0.3

Top contributors 12-month (%)

Company name	Portfolio weight	Bench weight	12-month return	Total effect
DoorDash Inc.	1.3	0.1	72.7	0.4
CRH PLC	1.1	0.1	39.2	0.3
Taiwan Semiconductor Manufacturing Company Limited	0.6	0.0	95.4	0.3
Trade Desk Inc.	0.9	0.1	66.2	0.3
Sea Limited	0.5	0.0	166.7	0.3

Top detractors 12-month (%)

Company name	Portfolio weight	Bench weight	12-month return	Total effect
NVIDIA Corporation	2.0	4.0	176.1	-1.8
Tesla Inc.	0.0	1.4	-28.2	-0.6
Elevance Health Inc.	1.1	0.1	-19.3	-0.5
Apple Inc.	0.0	4.6	32.8	-0.5
Broadcom Inc.	0.3	1.4	72.9	-0.5

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 December 2024. 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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