

## Vanguard Global Sustainable Equity Fund

The Vanguard Global Sustainable Equity Fund is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

The fund seeks to provide an increase in the value of investments over the long term (more than 5 years), through a combination of capital growth and income. The fund aims to achieve this whilst selecting investments which meet certain sustainability criteria.

The Vanguard Global Sustainable Equity Fund is managed by Wellington Management Company LLP and is a high-conviction portfolio of 35-45 stocks. This investment approach results in low turnover rates, long holding periods, and high active share.

The fund managers, Yolanda Courtines and Mark Mandel, are supported by a depth of research resources with more than 80 analysts covering either fundamental research, or sustainable investing.

The fund invests in the equities of companies globally, which generate high returns on capital relative to their peers, and whose management teams and boards display exemplary stewardship to sustain those returns over time.

The fund managers define stewardship as how companies balance the interests of all stakeholders (customers, employees, communities, and the supply chain) in the pursuit of profits, as well as how companies incorporate material environmental, social and governance (ESG) risks and opportunities in their corporate strategy.

Ultimately, this approach positions the portfolio towards companies that are ESG leaders with established competitive positions, a history of continuous improvement and innovations, and a track record of sustainable financial returns. The fund managers' investment philosophy focuses on:

- 1** A belief that a fund which prioritises return on capital alongside stewardship has the potential to outperform.
- 2** Active ownership through engagement and proxy voting, which can influence company behaviour and create value for shareholders.
- 3** The benefits of stewardship and engagement, which can accrue as time horizons are extended.

**This document is directed at professional investors and should not be distributed to, or relied upon by retail investors. This document is designed for use by, and is directed only at persons resident in the UK.**

### Key attributes



**Low cost**  
0.48% versus a peer group average of 1.07%<sup>1</sup>.



**Low turnover**  
A selective portfolio of best ideas, and with relatively low tracking error.



**Diversification**  
The fund has global equity exposure covering a range of sectors within developed and emerging markets.



**Investment talent**  
Managed by Wellington Management Company LLP.

<sup>1</sup> Source: Morningstar. Peer group average OCF for IA Global Sector as at 4 October 2022.

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

### About Vanguard

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

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

## Vanguard and Wellington

Wellington Management Company LLP (WMC) is Vanguard's oldest and largest external advisory partner. The firm was founded in 1929, and Vanguard's relationship with WMC traces its roots back to our inception in the US in 1975.

The firm is a world-class investment organisation with a client-focused culture and a long history of ESG integration and investing. For decades, WMC has been a world-class leader in integrating ESG considerations into its investment process. Alongside the two portfolio managers, more than 80 analysts support this fund.

On the fundamental side, the managers are aided by WMC's team of 50+ global industry analysts, who average around 20 years investment experience. On the sustainable investing side, they are supported by WMC's 40-person sustainable investment team, which is one of the largest and most experienced teams in the industry and which includes dedicated climate research resources.

Through its partnership with the Woodwell Climate Research Center, its commitment as a founding member of the Net Zero Asset Managers initiative, and measures such as matching its US employees' office and home electricity use with renewable energy, WMC is a leader in climate investing.

WMC works in partnership with organisations at the forefront of sustainability. They work with experts, from climate scientists to academics, on a range of topics with the intention of deepening sustainability insights when assessing investment risks and opportunities.

The Vanguard Global Sustainable Equity Fund is actively managed and does not intend to track or replicate performance of a benchmark.

For the Vanguard Global Sustainable Equity Fund, the FTSE All-World Index (the "index") serves as a reference benchmark for both performance comparison and weighted average carbon intensity comparison. Whilst the Vanguard Global Sustainable Equity Fund may hold investments that are components of the index, the index is not considered during portfolio construction and Wellington Management Company LLP will not manage the extent to which this fund's investments differ from the index. The index does not take into account the sustainability criteria referred to in this document.

### Vanguard low-cost active

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

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

Our active range is founded on three core principles:

1. An ongoing commitment to driving down costs.
2. Unique access to a vast talent pool.
3. Designed for the long term with clients in mind.

Vanguard has a deep history of active management, having managed active funds since our beginning in 1975. Today, Vanguard is one of the largest active managers in the world and we stand for value to investors.

## Key investment risks

The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events. Movements in currency exchange rates can adversely affect the return of your investment.

**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.

**Sustainability risk.** The Fund may not make possible investments if they do not meet the Fund's Sustainability Policy. This may affect the Fund's exposure to certain issuers and cause the Fund to forego certain investment opportunities.

**Liquidity risk.** Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.

**Use of derivatives.** The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value.

**Please also read the risk factors section in the prospectus and the Key Investor Information Document, both of which are available on the Vanguard website.**

## Investment risk information

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

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

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

The 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 in local languages, alongside the prospectus via Vanguard's website <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.

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