

Tactical asset allocation or a LifeStrategy® Fund?

The chart below shows the performance of various asset classes over the past 10 years alongside the performance of the LifeStrategy 60% Equity Fund (VGLS60A), which has a 60% equity/40% bond asset allocation that's often used as a proxy for a typical balanced portfolio. Individual asset classes that perform well one year may

perform poorly in the next. On the other hand, while there is a variation in the returns of the LifeStrategy fund, they can be smoother than those of individual asset classes. This is because the fund offers exposure to a wide variety of equity and bond markets, so that when one asset class performs poorly, it has others to cushion the fall.

Key equity, bond and cash index returns, alongside the LifeStrategy 60% Equity Fund

Returns (%) ranked by performance	8.8	35.4	21.1	0.8	26.5	16.4	28.1	1.5	19.4	26.9	Equity
	5.5	34.1	17.2	0.6	22.3	13.0	20.0	0.3	15.7	19.8	UK equities
	5.3	29.6	16.9	0.5	21.2	12.8	18.3	-3.3	15.7	14.8	European equities
	4.0	25.5	13.8	0.1	19.2	11.9	17.6	-6.4	10.1	9.7	Global equities
	2.5	25.4	13.1	-0.4	15.9	11.3	9.9	-7.3	9.8	9.5	North American equities
	1.4	21.2	11.3	-2.2	15.2	9.1	4.0	-8.8	9.7	5.1	Developed Asia equities
	1.0	18.3	8.7	-3.1	14.0	8.9	2.5	-9.4	7.9	4.4	Emerging market equities
	0.7	16.8	4.9	-3.4	11.0	7.8	1.0	-11.2	6.2	3.1	
	0.5	12.3	2.4	-7.6	7.1	7.8	0.1	-12.2	4.7	3.0	Fixed income
	0.5	10.7	2.0	-8.0	6.5	5.0	-1.5	-19.3	3.6	1.7	UK government bonds
	-1.1	3.7	1.9	-9.1	6.3	0.2	-3.3	-25.1	2.9	-4.0	UK index-linked government bonds
	-10.3	0.4	0.3	-9.5	0.8	-9.8	-5.3	-34.5	0.6	-8.6	UK investment-grade corporate bonds
											Global bonds (hedged)
											Cash
											Cash
											Vanguard LifeStrategy
											LifeStrategy 60% Equity Fund (Net of expenses)

Past performance is not a reliable indicator of future results.

Source: Vanguard calculations, data from 1 January 2015 to 31 December 2024, using data from Bloomberg, Thomson Reuters Datastream and FactSet. Global equities represented by the FTSE All-World Index, North American equities by the FTSE World North America Index, Emerging market equities by the FTSE All-World Emerging Index, Developed Asia equities by the FTSE All-World Developed Asia Pacific Index, European equities by the FTSE All-World Europe ex-UK Index, UK equities by the FTSE All-Share Index, UK government bonds by the Bloomberg Sterling Gilt Index, UK index-linked government bonds by the Bloomberg UK Govt Inflation-Linked UK Index, UK investment-grade bonds by the Bloomberg Sterling Aggregate Non-Gilts – Corporate Index, Global bonds (hedged) by the Bloomberg Global Aggregate Index (hedged in GBP) and cash returns represented by the Sterling Overnight Index Average (SONIA). Performance shown is cumulative and denominated in GBP. It includes the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV.

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

Glossary

Asset class: Different investment types like equities or bonds.

Bonds: This is a loan issued by a government, public-sector body or company. Bonds usually pay a fixed rate of annual interest—hence they are also known as fixed-income investments—while the original sum borrowed is typically repaid at a specific future date.

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.

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 to evaluate the performance of an investment, such as a fund.

Tactical asset allocation: An approach to investing which involves attempting to bet on a winning asset class, avoid a losing asset class and time the market to maximise returns.

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.

The 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.

For further information on risks please see the "Risk Factors" section of the prospectus on our website at <https://global.vanguard.com>.

Important information

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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