

SustainableLife active funds in a nutshell

The funds seek to provide an increase in the value of investments over the long term (more than 5 years) together with some money paid out from those investments as income.

The funds are managed by Wellington Management Company LLP and employ a conservative approach, using broad diversification to moderate risk in order to pursue three investment goals:

- 1 Balanced portfolios.** Maintaining a weighting in bonds reduces the funds' exposure to risk while the equity component aims to beat the equity market with lower risk and a quality bias.
- 2 Reasonable current income.** Investing primarily in dividend-paying equity stocks and investment-grade securities. The bond allocations aim to position the funds to generate a consistent, and potentially growing, income stream.
- 3 Potential for growth with reduced risk.** Investing in globally diversified, actively but conservatively managed, equity portfolios, gives the funds the opportunity to capture a portion of the higher returns that stocks have historically offered over the long term.

The funds are designed for investors who want to generate long-term growth from their investments, alongside the incorporation of sustainable investment criteria.

The names refer to the equity exposure that each fund aims to hold, with the remainder exposed to bonds. The equity component will be rebalanced to remain within 5% either side of its target exposure in order to take advantage of any new opportunities presented by changing market conditions.

FUND	Typical exposures		WHO'S IT FOR?
	EQUITY	FIXED INCOME	
Vanguard SustainableLife 40–50% Equity Fund	+/- 5% flex 45%	55%	For investors with less tolerance for risk
Vanguard SustainableLife 60–70% Equity Fund	+/- 5% flex 65%	35%	For investors with a moderate tolerance for risk
Vanguard SustainableLife 80–90% Equity Fund	+/- 5% flex 85%	15%	For investors with a higher tolerance for risk

1 Source: Morningstar. Peer group average OCF for mixed investment 40-85% shares as at 4 October 2022. Please read the risk factors section in the prospectus, available on our website.

Vanguard SustainableLife 40-50% Equity Fund

Vanguard SustainableLife 60-70% Equity Fund

Vanguard SustainableLife 80-90% Equity Fund

Key attributes



Low cost

0.48% versus a peer group average of 1.1%¹.



Balanced allocation

A blend of equities and bonds that provides exposure to global markets.



Investment talent

Managed by Wellington Management Company LLP.

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:** Our unique mutual ownership structure in the US, where we are owned by our clients, means our interests are aligned with those of our investors globally. Therefore, investors in Europe benefit from Vanguard's commitment to putting investors' interests first².
- Low-cost investing:** Providing low-cost investments isn't just 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.

2 The Vanguard Group Inc. (VGI) is owned by Vanguard's US-domiciled mutual funds and ETFs. While VGI's ownership structure can't be replicated outside of the US, we believe that this unique mutual structure aligns Vanguard's interests with those of our investors globally.

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 Environmental, Social and Governance (ESG) integration and investing. For decades, WMC has been well experienced 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 experience³. 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 resources³.

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.

3 Source: Wellington, as at 30 September 2022.

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.

The Vanguard SustainableLife range of funds are actively managed and do not intend to track or replicate performance of the benchmark. Benchmark data is for reference only.

The Vanguard SustainableLife range of funds' performance may be compared against the Composite Index*. The Authorised Corporate Director considers that the combination of the indices within the Composite Index provide a benchmark that best reflects the investment strategy of the funds as a means to assess the performance of the funds.

Vanguard SustainableLife 40-50% Equity Fund

*Composite Index comprised of: 45% FTSE Developed Net Tax Index, 44% Bloomberg Global Aggregate Credit Index, 5.5% Bloomberg Global Aggregate Treasury Index; and 5.5% Bloomberg Global Aggregate Securitized Index (together, the "Composite Index").

Vanguard SustainableLife 60-70% Equity Fund

*Composite Index comprised of: 65% FTSE Developed Net Tax Index, 28% Bloomberg Global Aggregate Credit Index, 3.5% Bloomberg Global Aggregate Treasury Index; and 3.5% Bloomberg Global Aggregate Securitized Index (together, the "Composite Index").

Vanguard SustainableLife 80-90% Equity Fund

*Composite Index comprised of: 85% FTSE Developed Net Tax Index, 12% Bloomberg Global Aggregate Credit Index, 1.5% Bloomberg Global Aggregate Treasury Index; and 1.5% Bloomberg Global Aggregate Securitized Index (together, the "Composite Index").

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.

Credit risk. The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.

Inflation risk. The value of your investments may not be worth as much in the future due to changes in purchasing power resulting from inflation.

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.

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.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments. Income may fluctuate in accordance with market conditions and taxation arrangements.

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

Important information

This is a marketing communication. This document is directed at professional investors and should not be distributed to, or relied upon by retail investors.

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/>

This document is designed for use by, and is directed only at persons resident in the UK.

The information contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information in this document is general in nature and does not constitute legal, tax, or investment advice. Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of shares of, and the receipt of distribution from any investment.

The Authorised Corporate Director for Vanguard Investment Funds ICVC is Vanguard Investments UK, Limited. Vanguard Asset Management, Limited is a distributor of Vanguard Investment Funds ICVC.

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.

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE", "Russell", "MTS", "FTSE TMX" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under licence. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE or Russell indexes or the fitness or suitability of the indexes for any particular purpose to which they might be put.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg"), or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. The products are not sponsored, endorsed, issued, sold or promoted by "Bloomberg." Bloomberg makes no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Indices to track general bond market performance. Bloomberg shall not pass on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Indices which are determined, composed and calculated by BISL without regard to Vanguard or the products or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products or the owners of the products into consideration in determining, composing or calculating the Bloomberg Indices. Bloomberg shall not be responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Bloomberg shall not have any obligation or liability in connection with the administration, marketing or trading of the products.

Issued by Vanguard Asset Management, Limited which is authorised and regulated in the UK by the Financial Conduct Authority.

© 2022 Vanguard Asset Management, Limited. All rights reserved 12/22_914

Connect with Vanguard®
Find out more about our active and index fund ranges
vanguard.co.uk/professional
enquiries@vanguard.co.uk
Adviser support
0800 917 5508

Vanguard