



## VANGUARD LAUNCHES SUSTAINABLE ACTIVE FUNDS

- The launch includes the introduction of the **Vanguard SustainableLife range** consisting of three actively managed multi-asset sustainability funds providing a core portfolio solution for investors.
- The **Vanguard Global Sustainable Equity Fund** is an actively managed fund which incorporates sustainability criteria to better align with investor values and help reduce exposure to ESG-related risks.
- All four sustainable active funds are available at an ongoing charges figure (OCF) of 0.48%, and complement Vanguard's existing range of ESG index funds and ETFs.

**08 December 2021** – Vanguard today announces the launch of four sustainable actively managed funds, designed for investors aiming to achieve sustainable returns, in a manner that aligns with their values.

The new Vanguard SustainableLife range is a set of three all-in-one sustainable multi-asset portfolios consisting of the Vanguard SustainableLife 40-50% Equity Fund, the Vanguard SustainableLife 60-70% Equity Fund, and the Vanguard SustainableLife 80-90% Equity Fund. The funds invest in equities and bonds from around the world and are designed as a core solution for investors looking to generate sustainable long-term growth. They carry an ongoing charges figure (OCF) of 0.48%<sup>1</sup>.

Vanguard takes a deliberate and thoughtful approach to product development, partnering with some of the world's best managers to offer a curated range of actively managed portfolios. In line with this approach, the Vanguard SustainableLife range will be managed by Wellington Management Company LLP ("Wellington"), a world-class leader in integrating ESG considerations into its investment processes.

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<sup>1</sup> The ongoing charges figure (OCF) covers management fees and service costs such as administration, audit, depository, legal registration and regulatory expenses incurred in respect of the funds.

The Vanguard SustainableLife range is managed according to a strict investment philosophy, which considers not just the investment potential, but also the environmental, social and governance characteristics of each company the funds invest in. Central to this approach are four sustainability principles, namely, a commitment to net zero emissions by 2050 in alignment with the Paris agreement, exclusion of companies that may have a negative impact on society and the environment (e.g., thermal coal, tar sands, tobacco), engagement with portfolio companies on material ESG issues, and the requirement for companies to follow good governance practices as a precondition for investment.

### **The Vanguard Global Sustainable Equity Fund**

In addition, for investors looking to invest in companies with a sustained track record of strong returns and exemplary stewardship, Vanguard today launches the Vanguard Global Sustainable Equity Fund. This actively managed equity fund provides UK investors with exposure to global companies, while actively incorporating sustainable investment criteria to better align with investor values and help reduce ESG-related risks. The fund is also managed by Wellington, has a commitment to net zero emissions by 2050 and carries an OCF of 0.48%.

**Fong Yee Chan, Head of ESG Strategy, Europe, Vanguard, said,** “Today’s launch represents our commitment to helping investors balance their personal values with their financial goals as interest in sustainable investing continues to grow. At Vanguard, we integrate ESG considerations into our investment processes and product design in three key ways. We engage with the companies in which we invest through our investment stewardship activities. We offer funds that allow investors to avoid certain ESG risks, and, thirdly, we allocate capital to companies based on certain sustainability criteria in our new actively managed funds, with the aim to outperform the market.”

### **Longstanding active management expertise**

Vanguard’s actively managed mutual funds and ETFs globally represent \$1.8 trillion across traditional active equity, bond, quantitative and balanced assets as at 31 October 2021. The firm has more than 45 years of experience in selecting and partnering with active managers and currently partners with 25 of the world’s top asset managers to oversee a full roster of active mandates. Vanguard’s approach is rooted in an adherence to consistent, repeatable processes over time and a long-term perspective, which is critical to achieving long-term success in active management.

Vanguard's fund range for environmentally and socially aware investors consists of the funds and ETFs below.<sup>2</sup> The funds are available through Vanguard UK Personal Investor ([www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk)), retail investment platforms and via financial advisers and wholesale intermediaries.

Fund Name	Strategy	Domicile	OCF <sup>3</sup>
Vanguard SustainableLife 40-50% Equity Fund	Active	U.K.	0.48%
Vanguard SustainableLife 60-70% Equity Fund	Active	U.K.	0.48%
Vanguard SustainableLife 80-90% Equity Fund	Active	U.K.	0.48%
Vanguard Global Sustainable Equity Fund	Active	U.K.	0.48%
Vanguard ESG Developed World All Cap Equity Index Fund (UK)	Index	U.K.	0.20%
Vanguard ESG Developed World All Cap Equity Index Fund	Index	Ireland	0.20%
Vanguard ESG Emerging Markets All Cap Equity Index Fund	Index	Ireland	0.25%
Vanguard ESG Global All Cap UCITS ETF	Index	Ireland	0.24%
Vanguard SRI European Stock Fund	Index	Ireland	0.14%
Vanguard ESG Global Corporate Bond UCITS ETF	Index	Ireland	0.15%

Note: The ESG and SRI funds listed promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics. These funds have been classified as Article 8 funds pursuant to the requirements of the EU SFDR.

**ENDS**

**Notes to editors:**

<sup>2</sup> Source: Vanguard, as at 08 December 2021

<sup>3</sup> Source: Vanguard, as at 08 December 2021

## **About Vanguard**

Vanguard is one of the world's largest investment management companies. As at 31 October 2021, Vanguard managed \$8.4 trillion in global assets. The firm, headquartered in Valley Forge, Pennsylvania, offers 418 funds to its more than 30 million investors worldwide. For more information, visit [vanguard.com](https://www.vanguard.com).

## **About Wellington**

Tracing its history to 1928, Wellington Management is one of the world's largest independent investment management firms, serving as a trusted adviser to over 2,400 clients in more than 60 countries. Wellington has been investing in sustainable themes since the early 1970s. At Wellington, sustainable investing and climate governance extend across all levels of the organization. The firm's sustainable investment team comprises over 30 members across sustainability research and strategy, ESG sector research and climate research.

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## **Which? Recommended Provider**

For three years running, Vanguard U.K Personal Investor has been named the top-rated investment platform for customer satisfaction and value for money in the UK by Which? the consumer champion. Launched in May 2017, Vanguard U.K. Personal Investor is used by more than 340,000 investors (Source: Vanguard, December 2021)



**Disclaimers:**

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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.

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.

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

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.

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.

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

Vanguard Investment Series plc has been authorised by the Central Bank of Ireland as a UCITS and has been registered for public distribution in certain EEA countries and the UK. Prospective investors are referred to the Funds' prospectus for further information. Prospective investors are also urged to consult their own professional advisers on the implications of making an investment in, and

holding or disposing shares of the Funds and the receipt of distributions with respect to such shares under the law of the countries in which they are liable to taxation.

The Manager of Vanguard Investment Series plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management, Limited is a distributor for Vanguard Investment Series plc.

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

For further information on the fund's investment policies, please refer to the Key Investor Information Document ("KIID"). The KIID for this fund is available, alongside the prospectus via Vanguard's website <https://global.vanguard.com>

The Indicative Net Asset Value ("iNAV") for Vanguard's ETFs is published on Bloomberg or Reuters. Refer to the Portfolio Holdings Policy at <https://global.vanguard.com/portal/site/portal/ucits-documentation> for holdings information.

Vanguard Group (Ireland) Limited has implemented the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("EU SFDR"), as appropriate. Vanguard has introduced an internal product classification framework that helps to identify whether certain Vanguard funds promote, among other characteristics, environmental and/or social characteristics, or whether a fund has sustainable investment as its objective. Vanguard also considers the degree to which sustainability risks are integrated into the investment decision making process. Statements explaining Vanguard's approach to the integration of sustainability risk, including into its remuneration policy and a transition statement to support the consideration of Principal Adverse Indicators (this is the impact of its investment decisions on sustainability factors, commonly referred to PAI), will be available on the policy page of Vanguard's global website

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