

Vanguard LifeStrategy® Funds

Quarterly Newsletter

30 September 2022

This quarterly newsletter is designed to give Vanguard LifeStrategy investors an insight into how the funds are constructed, how they're performing and what's been happening in the global economy and world markets.

The Vanguard LifeStrategy Funds are single-fund solutions designed to meet a range of investors' needs. Each of the five funds has a different target weighting of equities and bonds, with the aim of delivering a range of risk and return outcomes for investors.

Vanguard regularly rebalances the funds to their target allocations to ensure that they continue to meet investor needs. This means investors can focus on working with their advisers to review their goals and circumstances, confident in the knowledge that the target weightings will stay on track.

Economic background

In the third quarter (Q3) of 2022, global growth momentum continued to slow. Though shipping costs and commodity prices were down from recent highs, there were concerns of broader and more persistent inflation. This caused central banks to tighten monetary policy more than previously expected in Q3.

In the UK, GDP grew by 0.2% quarter on quarter (QoQ) in Q2, as the cost-of-living crisis continued to weigh on economic growth. Since then, the economy has continued to deteriorate with consumer confidence reaching a new all-time low. UK composite PMI¹ fell below 50, as at 31 August 2022, with the services sector contracting for the first time since February 2021. Headline inflation eased to 9.9%² year on year (YoY) in August, driven by falling fuel prices. This was partially offset by gains elsewhere, especially

rising services inflation. Core inflation continued its rise to 6.3%³ (YoY). The UK labour market remained tight with the unemployment rate below 4% and vacancies remaining elevated relative to historic norms. The Bank of England raised rates by 100 basis points to 2.25% in the third quarter. Meanwhile, the new Chancellor announced a range of tax cutting measures on 23 September, expected to boost near-term GDP growth. The government also announced the energy price guarantee, which freezes energy bills for the typical household at £2,500 per annum. Funding for the measures largely comes from higher borrowing and officials announced a sharp £72 billion of additional borrowing for fiscal year 2022/23 alone.

In the euro area, GDP increased by 0.8% (QoQ) in Q2. Economic momentum has deteriorated further, with the composite PMI falling into contraction territory for a third straight month, and consumer confidence falling to a new record low. The euro area current account swung sharply from a surplus to a deficit of EUR 19.9 billion in July, driven by a deterioration in the terms of trade. This added to euro weakness and inflationary pressures. The European gas market has already partially adapted to the gas situation, with most countries achieving their storage targets well ahead of the winter. The labour market remained tight, with wages growing at 4.1% in Q2, and the unemployment rate unchanged in August at 6.6%. The European Central Bank raised its key policy rate by 125 basis points to 0.75% in Q3 and introduced the Transmission Protection Instrument (TPI) to limit risks of fragmentation⁴.

1 Purchasing Managers Index.

2 UK Headline Inflation is CPI Inflation, Source: Office of National Statistics as of 14 September 2022.

3 UK Core Inflation is CPI Inflation, Source: Office of National Statistics as of 14 September 2022.

4 Diverging financing costs between different countries.

The US economy contracted by 0.6% (QoQ, seasonally adjusted annual rate) in Q2, with a sharp slowdown in consumption and investment sectors. Since then, growth activity has stabilised through Q3 at trend rates of 1.8% (source: US Congressional Budget Office, economic projections released on 2 February 2021). US headline CPI inflation increased 8.3% (YoY) in August, slightly lower than 8.5% (YoY) in July. Core inflation accelerated to 6.3% (YoY), driven by broad based gains in goods and services. The labour market remained strong, with job creation in August exceeding expectations. The unemployment rate increased to 3.7%, matching pre-pandemic levels of February 2020. The US Federal Reserve raised the target for its federal funds rate⁵ by 150 basis points in Q3, reaching a target range of 3.00-3.25%.

In China, growth in Q3 was set back by ongoing Covid-19 restrictions and a weak property sector. The consumption recovery has been dampened by a fall in consumer confidence, while the boost from trade is showing signs of decelerating. The property sector was weighed down by 'mortgage strikes' over unfinished housing (homebuyers refusing to pay their mortgages on unfinished housing projects) and a tightening in Covid-19 restrictions. In August, property investment and new house prices came in worse than expectations and below July readings. Meanwhile, both industrial production and fixed asset investment improved in August, supported by stimulus measures. The People's Bank of China cut interest rates to stimulate the economy. It cut the one-year loan prime rate (LPR) by five basis points to a record low of 3.65% and the five-year LPR by 15 basis points to 4.3% as at 30 September 2022.

Key takeaway

What should investors do in response to these developments?

Many investors change their portfolios in a bid to take advantage of the latest news. However, it's very difficult to time these changes effectively. In practice, shifting your portfolio in response to short-term events may lead to little more than increased trading costs.

At Vanguard, we believe that investors will usually be better served by identifying the appropriate asset allocation to suit their goals, then sticking with it and tuning out short-term noise. By regularly rebalancing back to target weights, the LifeStrategy® Funds are built to reflect this belief. See the back page for more on Vanguard's principles for investing success.

⁵ The interest rate that US banks charge each other to lend funds overnight.

Portfolio Commentary

At mid-year, the markets were closely monitoring elevated inflation levels across key global markets, along with the lasting impact of the conflict in Ukraine. These themes largely persisted through Q3. As central banks grappled with how to try and tame inflation, many developed markets saw significant increases to interest rates. Notably, as a result of these interest rate hikes and expectations for future interest rate levels, the dollar grew in strength against many other currencies. On the opposite end, the announcement of the UK's new "mini-budget" in late September led to market concerns regarding the trajectory of UK inflation and how much debt the government was taking on. Consequently, the pound depreciated heavily against the dollar in the immediate aftermath of the budget announcement, and UK government and corporate bond markets suffered heavy losses.

The volatility in the equity markets and in UK assets more broadly detracted from the performance of our LifeStrategy funds. Strong returns from US equities during the period helped offset negative returns elsewhere. Ultimately, the heaviest detractor to performance was the UK bond market, as interest rate concerns and conflict between the policies of the government and Bank of England led to steep losses. From a valuation perspective, UK bond yields are arguably more appealing relative to recent years and offer a higher starting point for total returns. At current yields, UK bonds also offer the potential to be a more effective shock absorber against equity market volatility, which is one of the key benefits of holding high quality government and corporate

bonds as part of a balanced multi-asset portfolio.

While the rise in yields and interest rates have been a pain point for investors across the globe, higher yields across the different bond maturities have added to the diversification profile of high quality bonds. As rates rise, rising interest payments from bonds in the form of coupons and yields improve the return outlook for the bond portion of our LifeStrategy portfolios.

Looking ahead, the good news for multi-asset investors is the outlook for balanced strategies has improved, driven by lower bond and stock market valuations⁶. According to the latest forecasts from the Vanguard Capital Markets Model (VCMM), the projected 10-year average annualised return for a portfolio with 60% in equities and 40% in bonds has improved considerably since December 2021, from 3.3% to 6.8%—an increase of 3.5%⁷. Please note, any projections should be regarded as hypothetical in nature and do not reflect or guarantee future results.

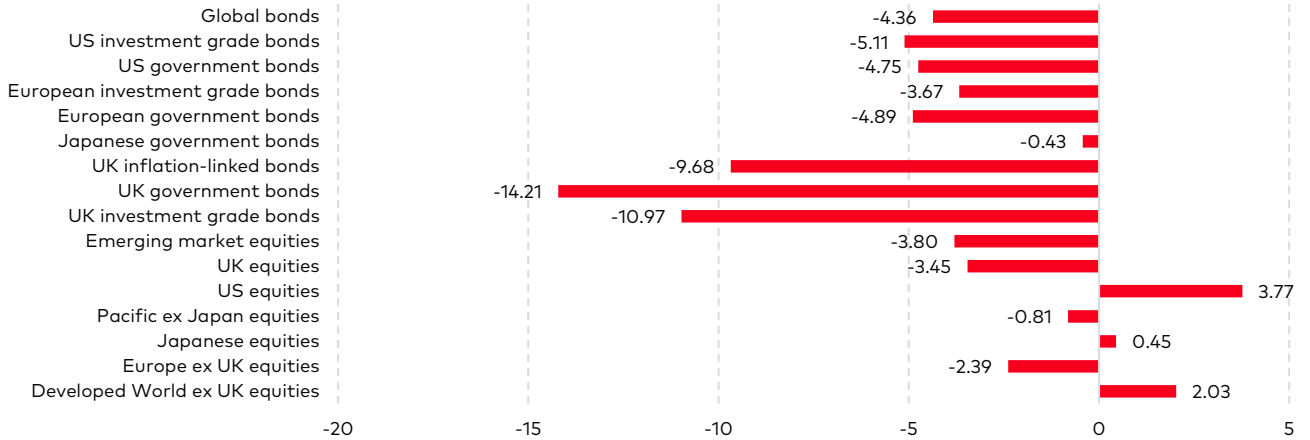
Given the recent volatility, it's natural to want to take action to protect portfolios. Rather than trying to take short-term tactical positions in response to market volatility, advisers and their investors can take confidence from the time-tested investment principles of allocating a portfolio to a strategic blend of equities and bonds, which have served investors incredibly well over the long-term.

⁶ Source: Vanguard. Based on projections of return outcomes for different asset classes by the Vanguard Capital Markets Model (VCMM) as of 27 September 2022.

⁷ Source: Vanguard. Return outcome distributions are the results of the VCMM and are derived from 10,000 simulations for each modelled asset class. Simulations are as at 31 December 2021 and 30 September 2022. Equity returns comprise UK equity (MSCI UK Total Return Index) and global ex UK equity (MSCI AC World ex UK Total Return Index). Fixed income comprises UK bonds (Bloomberg Sterling Aggregate Index) and global ex UK bonds (Bloomberg Global Aggregate ex Sterling Index Hedged). Allocation to UK and global ex UK assets according to market capitalisation. Returns include income reinvested.

Market performance

Equity and bond market total returns in Q3 2022 (%)



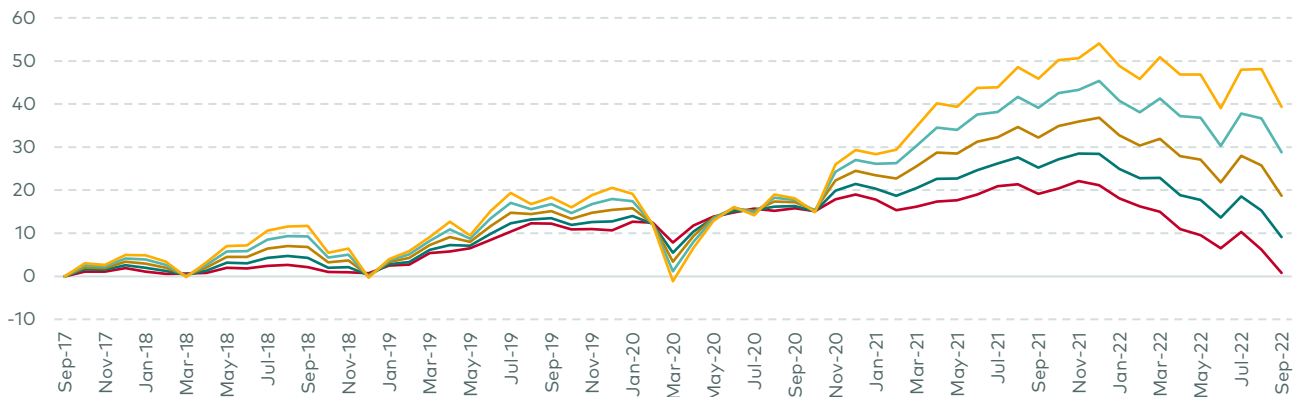
Past performance is not a reliable indicator of future results.

Source: Vanguard as at 30 September 2022. Total returns in GBP. Indices used:

Bloomberg Barclays EUR Government Float Adjusted Bond Index Hedged; Bloomberg Barclays EUR Non-Government Float Adjusted Bond Index Hedged; Bloomberg Barclays Global Aggregate Float Adjusted Index Hedged; Bloomberg Barclays Global Aggregate USD Credit Float Adjusted Bond Index Hedged; Bloomberg Barclays GBP Non-Government Float Adjusted Bond Index; Bloomberg Barclays Japan Government Float Adjusted Bond Index Hedged; Bloomberg Barclays U.K. Government Float Adjusted Bond Index; Bloomberg Barclays U.K. Government Inflation-Linked Float Adjusted Bond Index; Bloomberg Barclays U.S. Government Float Adjusted Bond Index Hedged; FTSE All-Share Index; FTSE Developed Europe ex U.K. Index; FTSE Developed ex U.K. Index; MSCI Emerging Markets Index; MSCI Japan Index; MSCI Pacific ex Japan Index; S&P Total Market Index Net TR.

Fund performance

Cumulative % growth, GBP, 01/10/2017 to 30/09/2022



- Vanguard LifeStrategy® 20% Equity Index Fund Acc (net of OCF)
- Vanguard LifeStrategy® 40% Equity Index Fund Acc (net of OCF)
- Vanguard LifeStrategy® 60% Equity Index Fund Acc (net of OCF)
- Vanguard LifeStrategy® 80% Equity Index Fund Acc (net of OCF)
- Vanguard LifeStrategy® 100% Equity Index Fund Acc (net of OCF)

Past performance is not a reliable indicator of future results.

Performance shown is cumulative and 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.

All performance is calculated in GBP.

Source: Vanguard as at 30 September 2022.

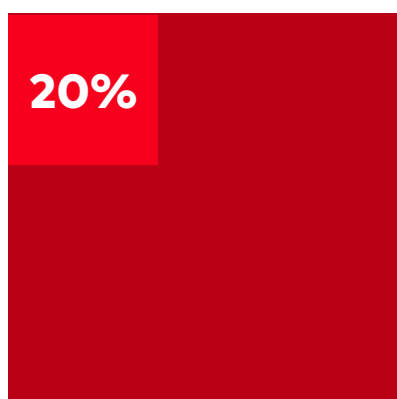
Ongoing Charges Figure

Each share class of a fund has an Ongoing Charges Figure (OCF) which is based on projected expenses for a given period. We review these projections regularly to make sure they are appropriate. The OCF covers administration, audit, depositary, legal, registration and regulatory expenses incurred in respect of the Funds. The Funds' Authorised Corporate Director will usually pay those fees out of its periodic annual management charge (AMC), which means that the OCF will normally equal the AMC. There may, however, be certain extraordinary expenses which cause the OCF to exceed the AMC. The OCF does not include portfolio transaction costs incurred by a Fund or the cost of subscribing for, or redeeming, shares or units in a Fund. For a full disclosure of all costs and charges, please visit our website:

global.vanguard.com/portal/site/portal/ucits-mifid-priips

Vanguard LifeStrategy 20% Equity Fund

Target weighting



Equities
Bonds

Ongoing charges figure 0.22%

Number of underlying holdings 24,115

Credit rating breakdown – bonds (%)

AAA	24.52
AA	28.29
A	14.50
BBB	12.85
Less than BBB	-
NR	0.83

Risk rating¹

Defaqto	2
Distribution Technology	3
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	2.52
FinaMetrica (Best Fit range)	14-40
Oxford (risk band of 5)	1
Oxford (risk band of 7)	2
Synaptic (Strategic asset allocation: risk scale 1 - 10)	4
Synaptic (Strategic asset allocation: risk scale 1 - 5)	2.7

Fund AUM

£1,772,541,975.51

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Source: Vanguard as at 30 September 2022.

¹ Distribution Technology data as at Q2 2022; FinaMetrica data as at 31/01/2021; EValue data as at Q2 2022; Defaqto data as at 01/10/2022; Synaptic data as at Q1 2022; Oxford Risk data as at 07/07/2021. These as-at dates are the same for every fund.

² Please note all weights should add up to 100%; however, there may be differences due to rounding. This is the same for all funds.

Underlying funds²

Fund	Weight (%)
Vanguard Global Bond Index Fund	19.1
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	12.5
Vanguard Global Aggregate Bond UCITS ETF	11.9
Vanguard U.K. Government Bond Index Fund	11.7
Vanguard U.K. Inflation-Linked Gilt Index Fund	8.4
Vanguard U.K. Investment Grade Bond Index Fund	8.3
Vanguard U.S. Government Bond Index Fund	6.4
Vanguard U.S. Investment Grade Credit Index Fund	5.9
Vanguard FTSE U.K. All Share Index Unit Trust	4.9
Vanguard Euro Government Bond Index Fund	4.7
Vanguard Euro Investment Grade Bond Index Fund	2.4
Vanguard Japan Government Bond Index Fund	2.2
Vanguard Emerging Markets Stock Index Fund	1.6

Underlying asset classes²

Fund	Weight (%)
Global Bond	31.0
U.K. Gilts	11.7
North American Equities	9.2
U.K. Index Linked Bonds	8.4
U.K. Corporate Bonds	8.3
U.S. Government Bond	6.4
U.S. Corporate Bonds	5.9
U.K. Equities	4.9
European Government Bond	4.7
European Corporate Bonds	2.4
Japan Government Bond	2.2
European ex U.K. Equities	1.7
Emerging Markets Equities	1.6
Japan Equities	0.9
Asia ex Japan Equities	0.7

Sector breakdown – equities (%)

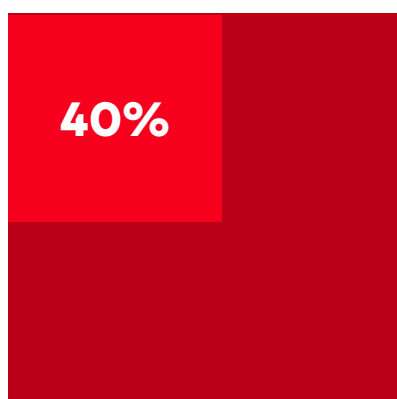
Sector	Weight (%)
Information Technology	3.1
Financials	3.0
Health Care	2.3
Consumer Discretionary	2.0
Consumer Staples	1.9
Industrials	1.9
Energy	1.2
Communication Services	1.2
Materials	1.1
Utilities	0.6
Real Estate	0.5
Other	0.1

Past performance as at 30 September 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	3.52
3 Month	-5.32
6 Month	-12.30
YTD	-16.79
1 Year (annualised)	-15.40
3 Year (annualised)	-3.52
5 Year (annualised)	0.16
1 Oct 2017 - 30 Sep 2018	2.09
1 Oct 2018 - 30 Sep 2019	9.96
1 Oct 2019 - 30 Sep 2020	3.13
1 Oct 2020 - 30 Sep 2021	2.92
1 Oct 2021 - 30 Sep 2022	-15.40

Vanguard LifeStrategy 40% Equity Fund

Target weighting



Ongoing charges figure **0.22%**

Number of underlying holdings **28,688**

Credit rating breakdown – bonds (%)

AAA	18.37
AA	21.54
A	11.21
BBB	9.92
Less than BBB	-
NR	0.66

Risk rating

Defaqto	4
Distribution Technology	4
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	4.38
FinaMetrica (Best Fit range)	41-53
Oxford (risk band of 5)	2
Oxford (risk band of 7)	2
Synaptic (Strategic asset allocation: risk scale 1 - 10)	6
Synaptic (Strategic asset allocation: risk scale 1 - 5)	3.7

Fund AUM

£7,171,295,184.58

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Source: Vanguard as at 30 September 2022.

Underlying funds

Fund	Weight (%)
Vanguard Global Bond Index Fund	19.3
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	18.3
Vanguard FTSE U.K. All Share Index Unit Trust	9.8
Vanguard U.K. Government Bond Index Fund	9.0
Vanguard U.K. Investment Grade Bond Index Fund	6.4
Vanguard U.K. Inflation-Linked Gilt Index Fund	6.3
Vanguard U.S. Equity Index Fund	5.3
Vanguard Global Aggregate Bond UCITS ETF	4.8
Vanguard U.S. Government Bond Index Fund	4.6
Vanguard Euro Government Bond Index Fund	3.5
Vanguard Emerging Markets Stock Index Fund	3.1
Vanguard U.S. Investment Grade Credit Index Fund	2.8
Vanguard Euro Investment Grade Bond Index Fund	1.8
Vanguard Japan Government Bond Index Fund	1.7
Vanguard USD Corporate Bond UCITS ETF	1.5
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	1.0
Vanguard Japan Stock Index Fund	0.5
Vanguard Pacific Ex-Japan Stock Index Fund	0.3

Underlying asset classes

Fund	Weight (%)
Global Bond	24.1
North American Equities	18.8
U.K. Equities	9.8
U.K. Gilts	9.0
U.K. Corporate Bonds	6.4
U.K. Index Linked Bonds	6.3
US Government Bond	4.6
US Corporate Bonds	4.3
European ex U.K. Equities	3.5
European Government Bond	3.5
Emerging Markets Equities	3.1
Japan Equities	1.8
European Corporate Bonds	1.8
Japan Government Bond	1.7
Asia ex Japan Equities	1.3

Sector breakdown – equities (%)

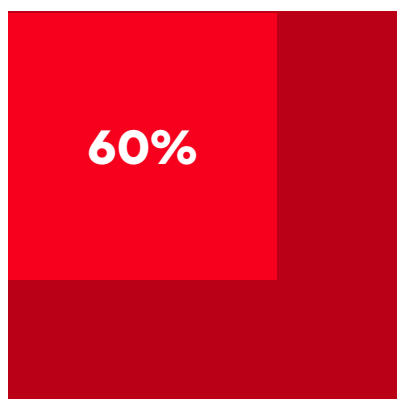
Information Technology	6.3
Financials	6.0
Health Care	4.7
Consumer Discretionary	4.0
Industrials	3.8
Consumer Staples	3.7
Energy	2.5
Communication Services	2.4
Materials	2.3
Utilities	1.2
Real Estate	1.1
Other	0.3

Past performance as at 30 September 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	5.03
3 Month	-3.94
6 Month	-11.17
YTD	-15.02
1 Year (annualised)	-12.85
3 Year (annualised)	-1.30
5 Year (annualised)	1.76
1 Oct 2017 - 30 Sep 2018	4.28
1 Oct 2018 - 30 Sep 2019	8.84
1 Oct 2019 - 30 Sep 2020	2.51
1 Oct 2020 - 30 Sep 2021	7.64
1 Oct 2021 - 30 Sep 2022	-12.85

Vanguard LifeStrategy 60% Equity Fund

Target weighting



■ Equities
■ Bonds

Ongoing charges figure **0.22%**

Number of underlying holdings **27,466**

Credit rating breakdown – bonds (%)

AAA	13.01
AA	13.77
A	7.46
BBB	6.57
Less than BBB	-
NR	0.50

Risk rating

Defaqto	5
Distribution Technology	5
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	6.33
FinaMetrica (Best Fit range)	54-65
Oxford (risk band of 5)	3
Oxford (risk band of 7)	4
Synaptic (Strategic asset allocation: risk scale 1 - 10)	6
Synaptic (Strategic asset allocation: risk scale 1 - 5)	3.9

Fund AUM

£13,078,087,174.15

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 Source: Vanguard as at 30 September 2022.

Underlying funds

Fund	Weight (%)
Vanguard Global Bond Index Fund	19.9
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	18.7
Vanguard U.S. Equity Index Fund	15.1
Vanguard FTSE U.K. All Share Index Unit Trust	14.7
Vanguard U.K. Government Bond Index Fund	5.9
Vanguard Emerging Markets Stock Index Fund	4.9
Vanguard U.K. Investment Grade Bond Index Fund	4.3
Vanguard U.K. Inflation-Linked Gilt Index Fund	3.4
Vanguard Global Aggregate Bond UCITS ETF	3.1
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	2.9
Vanguard Japan Stock Index Fund	1.6
Vanguard U.S. Government Bond Index Fund	1.3
Vanguard U.S. Investment Grade Credit Index Fund	1.2
Vanguard Euro Government Bond Index Fund	1.1
Vanguard Pacific Ex-Japan Stock Index Fund	0.8
Vanguard Japan Government Bond Index Fund	0.6
Vanguard Euro Investment Grade Bond Index Fund	0.5

Underlying asset classes

Fund	Weight (%)
North American Equities	28.9
Global Bond	23.0
U.K. Equities	14.7
U.K. Gilts	5.9
European ex U.K. Equities	5.5
Emerging Markets Equities	4.9
U.K. Corporate Bonds	4.3
U.K. Index Linked Bonds	3.4
Japan Equities	3.0
Asia ex Japan Equities	1.8
US Government Bond	1.3
US Corporate Bonds	1.2
European Government Bond	1.1
Japan Government Bond	0.6
European Corporate Bonds	0.5

Sector breakdown – equities (%)

Information Technology	9.6
Financials	9.2
Health Care	7.3
Consumer Discretionary	6.2
Industrials	5.9
Consumer Staples	5.7
Energy	3.7
Communication Services	3.7
Materials	3.4
Utilities	1.9
Real Estate	1.7
Other	0.4

Past performance as at 30 September 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	6.53
3 Month	-2.61
6 Month	-10.05
YTD	-13.27
1 Year (annualised)	-10.28
3 Year (annualised)	1.01
5 Year (annualised)	3.48
1 Oct 2017 - 30 Sep 2018	6.79
1 Oct 2018 - 30 Sep 2019	7.84
1 Oct 2019 - 30 Sep 2020	1.78
1 Oct 2020 - 30 Sep 2021	12.84
1 Oct 2021 - 30 Sep 2022	-10.28

Vanguard LifeStrategy 80% Equity Fund

Target weighting



- Equities
- Bonds

Ongoing charges figure **0.22%**

Number of underlying holdings **23,089**

Credit rating breakdown – bonds (%)

AAA	6.76
AA	6.71
A	3.59
BBB	3.17
Less than BBB	-
NR	0.27

Risk rating

Defaqto	7
Distribution Technology	6
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	8.25
FinaMetrica (Best Fit range)	66-82
Oxford (risk band of 5)	4
Oxford (risk band of 7)	5
Synaptic (Strategic asset allocation: risk scale 1 - 10)	8
Synaptic (Strategic asset allocation: risk scale 1 - 5)	4.8

Fund AUM

£7,741,685,635.21

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Source: Vanguard as at 30 September 2022.

Underlying funds

Fund	Weight (%)
Vanguard FTSE U.K. All Share Index Unit Trust	19.2
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.1
Vanguard U.S. Equity Index Fund	19.0
Vanguard Global Bond Index Fund	14.4
Vanguard Emerging Markets Stock Index Fund	6.4
Vanguard S&P 500 UCITS ETF	6.2
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	4.8
Vanguard Japan Stock Index Fund	2.6
Vanguard U.K. Government Bond Index Fund	2.4
Vanguard U.K. Inflation-Linked Gilt Index Fund	2.0
Vanguard U.K. Investment Grade Bond Index Fund	1.7
Vanguard Pacific Ex-Japan Stock Index Fund	1.4
Vanguard FTSE 100 UCITS ETF	0.7
Vanguard FTSE 250 UCITS ETF	0.1

Underlying asset classes

Fund	Weight (%)
North American Equities	39.3
U.K. Equities	20.0
Global Bond	14.4
European ex U.K. Equities	7.4
Emerging Markets Equities	6.4
Japan Equities	4.0
Asia ex Japan Equities	2.4
U.K. Gilts	2.4
U.K. Index Linked Bonds	2.0
U.K. Corporate Bonds	1.7

Sector breakdown – equities

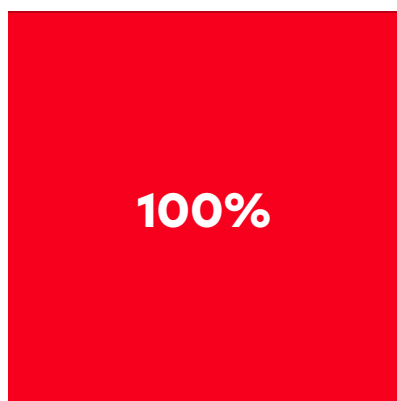
	(%)
Information Technology	13.0
Financials	12.3
Health Care	9.9
Consumer Discretionary	8.4
Industrials	8.0
Consumer Staples	7.7
Communication Services	5.0
Energy	5.0
Materials	4.6
Utilities	2.6
Real Estate	2.3
Other	0.5

Past performance as at 30 September 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	7.98
3 Month	-1.19
6 Month	-8.85
YTD	-11.42
1 Year (annualised)	-7.46
3 Year (annualised)	3.32
5 Year (annualised)	5.19
1 Oct 2017 - 30 Sep 2018	9.25
1 Oct 2018 - 30 Sep 2019	6.85
1 Oct 2019 - 30 Sep 2020	0.87
1 Oct 2020 - 30 Sep 2021	18.17
1 Oct 2021 - 30 Sep 2022	-7.46

Vanguard LifeStrategy 100% Equity Fund

Target weighting



- Equities
- Bonds

Ongoing charges figure 0.22%

Number of underlying holdings 7,335

Credit rating breakdown – bonds (%)

Not Applicable

Risk rating

Defaqt0	9
Distribution Technology	7
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	10+
FinaMetrica (Best Fit range)	83-100
Oxford (risk band of 5)	5
Oxford (risk band of 7)	6
Synaptic (Strategic asset allocation: risk scale 1 - 10)	10
Synaptic (Strategic asset allocation: risk scale 1 - 5)	5.7

Fund AUM

£4,441,081,279.20

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Source: Vanguard as at 30 September 2022.

Underlying funds

Fund	Weight (%)
Vanguard FTSE U.K. All Share Index Unit Trust	19.7
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.2
Vanguard U.S. Equity Index Fund	19.1
Vanguard S&P 500 UCITS ETF	15.9
Vanguard Emerging Markets Stock Index Fund	8.2
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	6.6
Vanguard FTSE 100 UCITS ETF	4.9
Vanguard Japan Stock Index Fund	3.6
Vanguard Pacific Ex-Japan Stock Index Fund	2.0
Vanguard FTSE 250 UCITS ETF	0.8

Underlying asset classes

Fund	Weight (%)
North American Equities	49.1
U.K. Equities	25.4
European ex U.K. Equities	9.2
Emerging Markets Equities	8.2
Japan Equities	5.0
Asia ex Japan Equities	3.0

Sector breakdown – equities

	(%)
Information Technology	16.3
Financials	15.5
Health Care	12.5
Consumer Discretionary	10.6
Industrials	10.0
Consumer Staples	9.8
Communication Services	6.4
Energy	6.3
Materials	5.9
Utilities	3.3
Real Estate	2.9
Other	0.6

Past performance as at 30 September 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	9.36
3 Month	0.23
6 Month	-7.62
YTD	-9.52
1 Year (annualised)	-4.47
3 Year (annualised)	5.61
5 Year (annualised)	6.87
1 Oct 2017 - 30 Sep 2018	11.73
1 Oct 2018 - 30 Sep 2019	5.91
1 Oct 2019 - 30 Sep 2020	-0.17
1 Oct 2020 - 30 Sep 2021	23.54
1 Oct 2021 - 30 Sep 2022	-4.47

Vanguard's principles for investing success

It's easy to be swayed by the latest developments in the markets or the economy, manager ratings or the performance of an individual security or strategy. However, instead of getting caught up in investment noise, we believe that investors stand a better chance of success if they remain focused on the things they can control. We believe there are four fundamental principles that can help investors stay on track.

Vanguard's LifeStrategy® Funds embody these principles and have been carefully constructed to give investors of all risk appetites the best chance of investment success.

1 Goals

Create clear, appropriate investment goals

An appropriate investment goal should be measurable and attainable. Success should not depend upon outsized investment returns, nor upon impractical saving or spending requirements.

3 Costs

Minimise cost

You can't control the markets, but you can control the bite of costs and taxes. The lower your costs, the greater your share of an investment's return. In addition, Vanguard research suggests that lower-cost investments have tended to outperform higher-cost alternatives.

2 Balance

Develop a suitable asset allocation using broadly diversified funds

A sound investment strategy starts with an asset allocation suitable for the portfolio's objective. The allocation should be built upon reasonable expectations for risk and returns, and should use diversified investments to avoid exposure to unnecessary risks.

4 Discipline

Maintain perspective and long-term discipline

Investing can provoke strong emotions. In the face of market turmoil, some investors may find themselves making impulsive decisions or, conversely, becoming paralysed, unable to implement an investment strategy or to rebalance a portfolio as needed. Discipline and perspective can help investors remain committed to their long-term plans.

Investment risk

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 policy, please refer to the Key Investor Information Document ("KIID"). The KIID and the Prospectus for this fund is available from Vanguard via our website <https://www.vanguardinvestor.co.uk>.

If you have any questions related to your investment decision or the suitability or appropriateness for you of the product[s] described in this document, please contact your financial adviser.

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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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