

# Prospectus

Vanguard LifeStrategy Funds ICVC

**(An open-ended investment company incorporated with limited liability  
and registered in England and Wales under registered number IC000904)**

This document constitutes the Prospectus for Vanguard LifeStrategy Funds ICVC which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated and is valid as at 7 January 2026

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

**Important: if you are in any doubt about the contents of this prospectus you should consult your professional adviser.**

Vanguard Investments UK, Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus.

To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Vanguard Investments UK, Limited accepts responsibility accordingly.

## Vanguard LifeStrategy Funds ICVC

No person has been authorised by the Company to give any information or make any representations concerning the Company or in connection with the offering of Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied on as having been given or made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes, including intermediaries who offer, distribute or sell the Shares, are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended. Subject to certain exceptions, the Shares may not be offered or sold in the U.S. or offered or sold to U.S. Persons. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended. The ACD has not been registered under the U.S. Investment Advisers Act of 1940.

Shares in the Company are not listed or dealt on any investment exchange.

For purposes of the General Data Protection Regulation 2016 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA and the Data Protection Act 2018, the data controller in relation to any personal data supplied is the ACD.

The ACD is responsible for the personal data received on behalf of the Company. The ACD and its affiliates take their data protection and privacy responsibilities seriously. For full details on how we collect, use and share personal data in the course of our business activities, what legal rights you have to help manage your privacy, and how you can contact us for support, please follow the link to our privacy policy <https://fund-docs.vanguard.com/uk-limited-privacy-policy.pdf>.

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus has been issued and approved for the purpose of Section 21 of the Financial Services and Markets Act 2000 by the ACD.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check with the ACD that this is the most recently published prospectus.

**The value of the Funds may go down as well as up, and investors may not get back the amount invested or any return on an investment. There can be no assurance that any Fund will achieve its investment objective. Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares. The Company makes no representations or warranties in respect of suitability.**

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## Terms Used in this Document

<b>‘ACD’</b>	Vanguard Investments UK, Limited, the authorised corporate director and AIFM of the Company;
<b>‘Accumulation Shares’</b>	Shares (of whatever Class) in the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the COLL Sourcebook net of any tax deducted or accounted for by the Company;
<b>‘Administrator and Registrar’</b>	both SS&C Financial Services Europe Limited and SS&C Financial Services International Limited or such other person or persons to whom the ACD may delegate such functions from time to time;
<b>‘AIF’</b>	Alternative Investment Fund;
<b>‘AIFM’</b>	Alternative Investment Fund Manager;
<b>‘AIFMD’</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
<b>‘AIFMD UK Regulations’</b>	the Alternative Investment Fund Managers Regulations 2013;
<b>‘Associated Scheme’</b>	a fund which is managed or operated by the ACD or its associates;
<b>‘BACS’</b>	Bankers’ Automated Clearing Services;
<b>‘Business Day’</b>	every day on which the London Stock Exchange is open for trading, provided, however, that if for any reason (in the sole determination of the ACD) the fair and accurate valuation of the relevant Fund’s portfolio of securities, or a significant portion thereof, in accordance with the COLL Sourcebook, this Prospectus and the Instrument of Incorporation of the Company is impeded, the ACD may decide that any Business Day shall not be construed as such;
<b>‘Class’</b>	all of the Shares relating to a single Fund or a particular class or classes of Shares relating to a single Fund;
<b>‘COLL’</b>	the appropriate chapter, section or rule in the COLL Sourcebook;
<b>‘COLL Sourcebook’</b>	the rules contained in the Collective Investment Schemes Sourcebook, as amended from time to time, issued by the FCA as part of the FCA Handbook, which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook;
<b>‘Company’</b>	Vanguard LifeStrategy Funds ICVC;

<b>‘Custodian’</b>	State Street Bank and Trust Company or such other person to whom the Depositary may delegate the function of custody from time to time;
<b>‘Cut-Off Time’</b>	the point on a Dealing Day prior to which a transaction must be received by the Administrator and Registrar in order to permit the transaction to receive that Dealing Day’s Valuation Point for each Fund as set out in Appendix 1;
<b>‘Dealing Day’</b>	any day that a Fund accepts subscription or redemption orders, or any such other day or days as may be determined by the ACD and notified to Shareholders in advance, details of which for each Fund are set out in Appendix 1;
<b>‘Depositary’</b>	State Street Trustees Limited, the depositary of the Company, or such other entity as is appointed to act as Depositary;
<b>‘EEA’</b>	the European Economic Area;
<b>‘EEA State’</b>	a member state of the EEA;
<b>‘EEA UCITS Scheme’</b>	a collective investment scheme established in accordance with the UCITS Directive in an EEA State;
<b>‘ESMA’</b>	the European Securities and Markets Authority;
<b>‘EU’</b>	the European Union;
<b>‘Euro’ or ‘€’</b>	the European euro, the lawful currency of the Economic and Monetary Union of the EU from time to time;
<b>‘EUWA’</b>	the European Union (Withdrawal) Act 2018;
<b>‘FCA’</b>	the Financial Conduct Authority or any successor body thereto;
<b>‘FCA Handbook’</b>	the FCA Handbook of rules and guidance, as amended from time to time;
<b>‘FCA Rules’</b>	the FUND Sourcebook and/or the COLL Sourcebook, as the context requires;
<b>‘FSMA’</b>	the Financial Services and Markets Act 2000;
<b>‘Fund’</b>	a sub-fund of the Company (being part of the scheme property which is pooled separately and to which specific assets and liabilities of the Company may be allocated), which is invested in accordance with the investment objective applicable to such sub-fund;
<b>‘FUND Sourcebook’</b>	the rules contained in the Investment Funds Sourcebook (or FUND) published by the FCA as part of its Handbook of rules made under FSMA which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook;
<b>‘HMRC’</b>	HM Revenue & Customs;

<b>‘Income Shares’</b>	Shares (of whatever Class) in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the COLL Sourcebook net of any tax deducted or accounted for by the Company;
<b>‘Instrument of Incorporation’</b>	the instrument of incorporation of the Company as amended from time to time;
<b>‘Investment Adviser’</b>	the entity appointed to provide investment management services for each Fund, as further explained in the section with the heading “Investment Advisers” and as specified in Appendix 1 for each Fund;
<b>‘Member State’</b>	a member state of the EU;
<b>‘Net Asset Value’ or ‘NAV’</b>	the value of the scheme property attributable to a Fund (or the Company) less the liabilities of the Fund (or the Company) as calculated in accordance with the Company’s Instrument of Incorporation and the FCA Handbook;
<b>‘NURS’</b>	non-UCITS retail scheme;
<b>‘OEIC Regulations’</b>	the Open-Ended Investment Companies Regulations 2001, as amended or re-enacted from time to time;
<b>‘OTC derivative’</b>	a derivative dealt over-the-counter (off exchange);
<b>‘Register’</b>	the register of Shareholders kept on behalf of the Company;
<b>‘Regulations’</b>	the OEIC Regulations and the FCA Rules;
<b>‘Relevant Institution’</b>	a credit institution which is authorised in the EEA, the U.K, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
<b>‘Scheme Property’</b>	the property of the Company or a Fund, as the context may demand, required under the COLL Sourcebook to be given for safekeeping to the Depositary;
<b>‘SDRT’</b>	U.K. Stamp Duty Reserve Tax;
<b>‘Share’ or ‘Shares’</b>	a share in the capital of the Company (including larger denomination and smaller denomination shares equivalent to one ten-thousandth of a larger denomination share);
<b>‘Shareholder’</b>	a holder of registered Shares;
<b>‘Sterling’, ‘£’ or ‘GBP’</b>	U.K. pounds sterling, the lawful currency of the U.K.;
<b>‘UCITS Directive’</b>	European Parliament and Council Directive No. 2009/65/EC of 13 July 2009 as amended, which applies to EEA UCITS Schemes;
<b>‘U.K.’</b>	the United Kingdom;

<b>‘U.K. AIFM Regime’</b>	the FUND Sourcebook and other rules in the FCA Handbook which, when made, implemented AIFMD, the AIFMD Level 2 Regulation (as defined in the Glossary to the FCA Handbook), and the AIFMD UK Regulations;
<b>‘U.K. UCITS Scheme’</b>	a UK UCITS as defined in the glossary of definitions in the FCA Handbook;
<b>‘U.S.’</b>	the United States of America, its possessions and territories, including any state of the United States of America and the District of Columbia;
<b>‘U.S. Person’</b>	any person falling within the definition of the term U.S. Person under Regulation S promulgated under the U.S. Securities Act of 1933, as amended;
<b>‘Valuation Point’</b>	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled, sold or redeemed, as set out for each Fund in Appendix 1;
<b>‘Vanguard Group of Companies’</b>	the group of companies of which The Vanguard Group, Inc. is the ultimate parent.

## Directory

### **Company's Head Office and Registered Office**

4<sup>th</sup> Floor, The Walbrook Building  
25 Walbrook  
London EC4N 8AF  
United Kingdom

### **Administrator and Registrar**

SS&C Financial Services Europe Limited and  
SS&C Financial Services International Limited  
St. Nicholas Lane  
Basildon  
Essex SS15 5FS  
United Kingdom

### **Company's address for service of notices**

P.O. Box 10315  
Chelmsford CM99 2AT  
United Kingdom

### **Auditor**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT  
United Kingdom

### **The Authorised Corporate Director / AIFM**

Vanguard Investments UK, Limited  
4<sup>th</sup> Floor, The Walbrook Building  
25 Walbrook  
London EC4N 8AF  
United Kingdom

### **Investment Adviser**

Vanguard Asset Management Limited  
4<sup>th</sup> Floor, The Walbrook Building  
25 Walbrook  
London EC4N 8AF  
U.K.

### **The Depositary**

State Street Trustees Limited  
20 Churchill Place  
London E14 5HJ  
United Kingdom

# The Company

## General

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Vanguard LifeStrategy Funds ICVC is an investment company with variable capital incorporated with limited liability and registered in England and Wales under number IC000904. The Company was authorised by the FCA (formerly the Financial Services Authority) on 16 June 2011 (FCA Product Reference Number: 542758). The Company is of unlimited duration.

## Share capital

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The maximum share capital of the Company is £500,000,000,000 and the minimum share capital is £1. Shares have no par value. Shareholders are not liable for the debts of the Company.

Shares in the Company may be marketed in countries other than the U.K., subject to the Regulations and any regulatory constraints in those countries, if the ACD so decides.

## Base currency

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The base currency for the Company is Sterling or such other currency or currencies as shall be the lawful currency of the U.K.

## Category of scheme

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The Company is a NURS and qualifies as an AIF under the U.K. AIFM Regime.

## Further information

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Further general information concerning the Company, Shareholder meetings and voting rights, provisions relating to the winding up of the Company or a Fund and other matters is contained in **Appendix 5**.

# Management and Administration

## Authorised Corporate Director / Alternative Investment Fund Manager

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### General

The Authorised Corporate Director (ACD) and Alternative Investment Fund Manager (AIFM) of the Company is a private limited company incorporated in England and Wales on 8 May 2001 with registered number 4212659. Its registered office address is 4<sup>th</sup> Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF.

The ACD's ultimate parent company is The Vanguard Group, Inc., which is incorporated in Pennsylvania, U.S. The ACD is the sole director of the Company.

### Share Capital

The ACD has an issued and fully paid-up share capital of £5,200,000.

### Regulatory status

The ACD is authorised and regulated by the FCA.

### Directors of the ACD

The directors of the ACD are:

- Mike Craston
- Maureen Erasmus
- Paul Jakubowski
- Robyn Laidlaw
- Kim Petersen
- Marisa Tilghman
- Silvana Tenreyro

No director of the ACD is engaged in any business activity of significance to the Company's business that is not connected with the business of the ACD, its ultimate parent company or other affiliated companies.

### Terms of Appointment

The ACD is responsible for managing and administering the Company's affairs pursuant to the terms of an ACD Agreement between the Company and the ACD dated 16 June 2011 as amended pursuant to an amendment agreement dated 1 July 2013 and an amendment agreement dated 7 January 2026 (the "**ACD Agreement**"). Under the terms of the ACD Agreement, the ACD is to provide investment management services, administrative, accounting, consultancy, distribution, advisory, secretarial services and registrar services to the Company. The ACD may delegate all or some of its powers and duties, subject to conditions set out in the Regulations and FSMA, and has delegated certain administrative functions and the function of registrar to the Administrator and Registrar, the function of accounting to State Street Bank and Trust Company, and the function of investment management to the Investment Adviser.

The ACD may provide similar services for other clients.

The ACD Agreement provides that the ACD's appointment is terminable upon six months' written notice by either the ACD or the Company or, subject to the Regulations and FSMA, by the mutual written consent of both parties. The ACD Agreement also terminates automatically if the ACD is removed as a director of the Company by a resolution of shareholders of the Company. No termination of the ACD's appointment, on notice or otherwise, can take effect until the FCA has approved the change of the ACD as the authorised corporate director.

To the extent permitted by the Regulations and FSMA, the Company indemnifies the ACD in respect of liabilities incurred by the ACD by reason of the ACD's performance of its duties in

accordance with the ACD Agreement, save where such liabilities arise as a direct consequence of the ACD's or, as the case may be, its directors', officers' or employees' negligence or wilful default in relation to the Company.

Details of the remuneration provisions under the ACD Agreement are summarised under the heading "ACD's Charges and Expenses" in the "Charges and Expenses" section of this Prospectus.

#### **Other schemes managed/operated by the ACD**

The ACD also serves as the authorised corporate director of Vanguard Investments Funds ICVC and Vanguard Investments Money Market Funds and as the authorised fund manager of Vanguard FTSE U.K. All Share Index Unit Trust and Vanguard FTSE 100 Index Unit Trust.

#### **Remuneration Policies and Practices**

Vanguard personnel providing services to the ACD are subject to the Vanguard European Remuneration Policy (the "**Remuneration Policy**"). The Remuneration Policy has been designed to ensure that Vanguard's European remuneration policies and practices are consistent with, and promote, sound and effective risk management, and are in line with the business strategy and objective of the Vanguard group of European companies ("**Vanguard Europe**") and the interests of the group and its stakeholders. The Remuneration Policy complies with the requirements of the UK IFPRU Remuneration Code and the FCA Rules.

The Remuneration Policy provides for an appropriate balance of fixed salary; benefits, such as pension, life assurance and health insurance; and bonus arrangements, based on the overall business performance of the Vanguard Group, or individual, team, business unit and fund performance, together with certain qualitative criteria, such as compliance with policies and procedures.

Details of the Remuneration Policy are available through <https://fund-docs.vanguard.com/remuneration-policy.pdf>, which will be updated periodically to reflect changes to the Policy. A paper copy of these details may be obtained, free of charge on request, from the Head of Human Resources, Europe, Vanguard Asset Services, Limited, 4<sup>th</sup> Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF.

#### **Investment Adviser**

The ACD has appointed Vanguard Asset Management, Limited, based in London, United Kingdom, to provide discretionary investment management and advisory services to the Company.

The Investment Adviser is a private limited company incorporated under the laws of England and Wales and is part of the Vanguard Group of Companies. It is authorised and regulated by the FCA and currently provides investment management services to collective investment schemes domiciled in the U.K. and Ireland. The Investment Adviser or the ACD may, from time to time, appoint other companies, including without limitation companies connected with the Vanguard Group of Companies, as sub-investment advisers with responsibility to provide investment management and advisory services with respect to any Fund. Details of sub-investment advisers will be disclosed in the Company's periodic reports.

#### **Terms of Appointment**

The ACD has entered into an investment advisory agreement with the Investment Adviser. This investment advisory agreement dated 1 January 2025, between the ACD and the Investment Adviser as amended pursuant to an amendment agreement dated 7 January 2026 (the "**Advisory Agreement**"), provides that in the absence of the negligence, wilful default or fraud of or by the Investment Adviser (or any of its directors, officers, employees and agents) the Investment Adviser (and its directors, officers, employees and agents) shall not be liable to the ACD or the Company for any loss, liability, damage, cost or expense resulting from any act or omission of the Investment

Adviser in connection with the performance of its services under the Advisory Agreement, except in the case of the Investment adviser's negligence, wilful default or fraud. The Advisory Agreement provides that the Investment Adviser will have discretionary authority to manage the Scheme Property of each Fund within the investment objectives, investment policy and any restrictions set out in the Instrument of Incorporation, this Prospectus, the OEIC Regulations, the COLL Sourcebook and FSMA. The Investment Adviser has authority to delegate certain functions to sub-advisers. The Advisory Agreement may be terminated by the mutual written agreement of the parties or earlier upon the happening of certain specified events.

The Investment Adviser is entitled to a fee for its services, which is paid out of the annual management charge made by the ACD. The Investment Adviser has authority to delegate certain functions to sub-advisers. The Investment Adviser will pay the fees of any sub-investment adviser appointed by it.

## The Administrator and Registrar

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The ACD has appointed the Administrator and Registrar, with the responsibilities to act as registrar to the Company and to provide services to it including certain administration functions.

The registered office of the Administrator and Registrar is at St. Nicholas Lane, Basildon, Essex SS15 5FS. The Administrator and Registrar is an affiliated company of the Depositary.

The Register of Shareholders will be maintained by the Administrator and Registrar at the address of its registered office as noted above, and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The Administrator and Registrar will receive a fee paid by the ACD out of its remuneration received from the Funds.

## The Depositary

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### General

The Depositary is a private limited company incorporated in England and Wales on 24 October 1994 (registered no. 2982384). Its registered office is at 20 Churchill Place, London E14 5HJ. The ultimate holding company of the Depositary is State Street Corporation, which is incorporated in Massachusetts, U.S. The principal business activity of the Depositary is to provide trustee and depositary services to collective investment schemes. The Depositary is authorised and regulated by the FCA.

The Depositary provides its services under the terms of a depositary agreement between the Company and the Depositary dated 13 July 2016 as amended pursuant to an addendum agreement dated 23 April 2019 and an amendment agreement dated 7 January 2026 (the "**Depositary Agreement**"). The Depositary Agreement may be terminated by not less than 90 days' notice given by either the Company or the Depositary, provided that the Depositary may not retire voluntarily except on the appointment of a new depositary.

The Depositary will receive a fee paid by the ACD out of its remuneration received from the Funds.

### Depositary's functions

Subject to the Regulations and the terms of the Instrument of Incorporation and the Depositary Agreement, the Depositary has been entrusted with the following main functions:

- (i) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law, the Regulations, the Instrument of Incorporation and this Prospectus;
- (ii) ensuring that the value of the Shares is calculated in accordance with applicable law, the Regulations, the Instrument of Incorporation and this Prospectus;

- (iii) carrying out the instructions of the ACD unless they conflict with applicable law, the Regulations, the Instrument of Incorporation and this Prospectus.
- (iv) ensuring that in transactions involving the assets of the Funds any consideration is remitted within the usual time limits;
- (v) ensuring that the income of the Funds is applied in accordance with applicable law, the Regulations, the Instrument of Incorporation and this Prospectus;
- (vi) monitoring the Funds' cash and cash flows; and
- (vii) safekeeping of the Funds' assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

#### **Depositary's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the FCA Rules, the Depositary shall return financial instruments of identical type or the corresponding amount to the ACD acting on behalf of the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the FCA Rules.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary is indemnified by the Company against all liabilities suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement save where any such liabilities arise as a result of the Depositary's negligence, fraud, bad faith, wilful default or recklessness of the Depositary or the loss of financial instruments held in custody.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the negligent or intentional failure to properly fulfil its obligations pursuant to the FCA Rules.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

#### **Delegation**

The Depositary has full power to delegate the whole or any part of its safekeeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safekeeping functions under the Depositary Agreement.

Information about the safekeeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in **Appendix 6**.

#### **Conflicts of interest**

The Depositary is part of an international group of companies and businesses ("**State Street**") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest

arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent stock lending, investment management, financial advice and/or other advisory services to the Company; and
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company, either as principal and in the interests of itself, or for other clients.

The Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depositary is not bound to disclose to the Company the nature or amount of any such profits or compensation, including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities or earned by the Depositary or any of its affiliates when acting in any other capacity;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company and the fee arrangements it has in place will vary; and
- (v) may be granted creditors' rights by the Company, e.g., indemnification which it may exercise in its own interest. In exercising such rights the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Company relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Company's strategy.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances, the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company.

The affiliate shall enter into such transactions on the terms and conditions agreed with the Company. The Depositary will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Company is deposited with an affiliate being a bank, cash is not segregated from its own assets and a conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker.

The ACD may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the ACD directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in a Fund.

The types and levels of risk that the Depositary is willing to accept may conflict with the Company's preferred investment policy and strategy.

Conflicts that may arise in the Depositary's use of sub-custodians include five broad categories:

- (i) our global custodian and sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;
- (ii) the Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. Our global custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of our global custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;
- (iii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;
- (iv) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as their counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- (v) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depositary segregates the Company's assets from the Depositary's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organisational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates in Appendix 6, and any conflicts of interest that may arise from such a delegation, will be made available to Shareholders on request.

## The Auditor

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The auditor of the Company is PricewaterhouseCoopers LLP.

## General

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The Company, the ACD and the Depositary must each comply with the relevant requirements of the COLL Sourcebook in a timely manner unless delay is lawful and also in the interests of the Company.

The ACD and the Depositary may retain the services of the other, or of third parties, to assist them in fulfilling their respective roles. However:

- (i) the Depositary may not delegate oversight of the Company to the Company, the ACD or any associate of the Company or of the ACD, or custody or control of the Scheme Property to the Company or the ACD; and
- (ii) any delegation of custody of the Scheme Property must be under arrangements which allow the custodian to release documents into the possession of a third party only with the Depositary's consent.

Where functions are performed by third parties, the ACD remains responsible for the management of the Scheme Property and, if the third party is an associate, any other functions which are within the role of the ACD.

### Conflicts of interest

The COLL Sourcebook contains various requirements relating to transactions entered into between the Company and the ACD, the Depositary, the Investment Adviser or any associate of them which may involve a conflict of interest. These are designed to protect the interests of the Company. Certain transactions between the Company and the ACD, or an associate of the ACD, may be voidable at the insistence of the Company in certain circumstances.

The ACD, the Depositary, the Investment Adviser, the Administrator and Registrar, and other companies connected with them may, from time to time, act as manager, depositary / custodian, trustee, investment manager / adviser, administrator, registrar or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which follow similar investment objectives to those of the Funds of the Company. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interest with the Company or a particular Fund. Each will at all times have regard in such event to its obligations under the Instrument of Incorporation, the COLL Sourcebook and the ACD Agreement (and any other relevant agreement by which it is bound in relation to the Company or any Fund) and, in particular, to its obligation to act in the best interests of the Company so far as is practicable, having regard to its obligations to other clients when undertaking any investment or otherwise where potential conflicts of interest may arise, and each will endeavour to ensure that any such conflicts are resolved fairly.

In selecting brokers to make purchases and sales of investments for the Company, the Investment Adviser (or any sub-investment adviser) will choose those brokers who provide best execution to the Company in accordance with applicable law. In determining what constitutes best execution, the Investment Adviser (or sub-investment adviser) will consider, amongst other things, the overall economic result of the Company (including the price of commission), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, the availability of the broker for difficult transactions in the future and the financial strength and stability of the broker. The brokers selected to make purchases and sales of investments for the Company will be required to comply with the Investment Adviser's execution policy. A copy of the Investment Adviser's execution policy is available on request.

The ACD, the Investment Adviser or any sub-investment adviser are prohibited from receiving any in-kind benefits, soft commission arrangements or other inducements from a broker, whether utilised in executing a transaction or otherwise (excluding any minor non-monetary benefits which are permitted in accordance with FCA Handbook and all applicable laws). In managing the assets of the Company, the Investment Adviser (or sub-investment adviser) may from time to time receive or utilise certain investment research and other investment related commentary, statistics, information or material (collectively "Research") provided by third parties. Direct charges for Research will be borne by the Investment Adviser out of its fees and will not, in any circumstances be allocated to the Company and or the Funds.

At the time of launch, the Funds may have received initial (or “seed”) investment from entities within the Vanguard Group of Companies. New Funds launched in the future may also receive similar seed investment. The Funds are permitted to receive such seed investment, and entities within the Vanguard Group of Companies are at liberty to provide it, notwithstanding any relevant restrictions on investment in the Funds by non-UK entities.

# The Funds

## General

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The Company is categorised as a NURS for the purposes of the FCA Rules, an AIF for the purposes of the U.K. AIFM Regime and an umbrella company for the purposes of the OEIC Regulations. Different Funds of the Company may be established from time to time by the ACD with the agreement of the Depositary and approval of the FCA. This Prospectus will be revised on the introduction of a new Fund or Class of Shares within a Fund.

The Funds are operated separately. Each Fund has a specific portfolio of assets to which the Fund's liabilities are attributable. The assets of each Fund are treated as separate from those of every other Fund and are managed in accordance with the investment objective and policy applicable to that Fund.

The following Funds have been available for investment from 23 June 2011:

- Vanguard LifeStrategy 20% Equity Fund
- Vanguard LifeStrategy 40% Equity Fund
- Vanguard LifeStrategy 60% Equity Fund
- Vanguard LifeStrategy 80% Equity Fund
- Vanguard LifeStrategy 100% Equity Fund

The following Funds have been available for investment from 17 December 2015:

- Vanguard Target Retirement 2015 Fund
- Vanguard Target Retirement 2020 Fund
- Vanguard Target Retirement 2025 Fund
- Vanguard Target Retirement 2030 Fund
- Vanguard Target Retirement 2035 Fund
- Vanguard Target Retirement 2040 Fund
- Vanguard Target Retirement 2045 Fund
- Vanguard Target Retirement 2050 Fund
- Vanguard Target Retirement 2055 Fund

The following Funds have been available for investment from 5 December 2017:

- Vanguard Target Retirement 2060 Fund
- Vanguard Target Retirement 2065 Fund

Details of each Fund are set out in Appendix 1.

## Investment objectives and policies of the Funds

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The investment objective and policy of each Fund are set out in Appendix 1.

The assets of each Fund will be invested with the aim of achieving the investment objective and in accordance with the policy of that Fund. They must also be invested so as to comply with the investment and borrowing powers and restrictions set out in the COLL Sourcebook as they apply to a NURS, the Instrument of Incorporation and this Prospectus.

A summary of the investment and borrowing powers and restrictions applicable to the Funds is set out in Appendix 3. Details of eligible securities and derivatives markets for the Funds are also set out in Appendix 3.

## Portfolio Investment Techniques

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The Company may employ investment techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management of the assets of any

Fund, including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the COLL Sourcebook, as described in Appendix 4. Except as the COLL Sourcebook may permit and this Prospectus specifies, a Fund may not be leveraged in excess of the percentage of its Net Asset Value set out in Appendix 1 for each Fund.

## Profile of a typical investor in the Funds

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Each Fund is available to a wide range of investors seeking access to a portfolio managed in accordance with a specific investment objective and policy. Investors should in particular read the Risk Factors and Performance section as set out in this Prospectus and, if they are in any doubt about making an investment, should consult their professional advisor concerning the acquisition, holding or disposal of any Shares.

## Sustainable Finance

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### Sustainability Risk

Sustainability risks are environmental, social, or governance events or conditions that, if they occur, could cause actual or potential material negative impacts on the value of a Fund's assets. For further details in respect of sustainability risks and the impact of same on the returns of the Funds, please see "Sustainability Risk" in the "Risk Factors" section.

The ACD, the Investment Adviser or its delegate, do not take into consideration sustainability risks as part of the selection of Associated Schemes. Please see the prospectus for the relevant Associated Scheme for more information regarding way in which sustainability risks are integrated in respect of its investments.

# Shares

## Classes of Shares

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Different Classes of Shares may be issued in respect of each Fund. Classes may be distinguished by their different characteristics, including, without limitation, criteria for subscription, currency of denomination, allocation of costs, liabilities, gains and losses and charges. The Classes currently available in each Fund and their characteristics are set out in Appendix 1.

Further Classes of Shares may be established from time to time by the ACD in accordance with the Regulations, subject to the agreement of the Depositary and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, a revised Prospectus will be prepared, setting out the details of each Fund or Class.

## Denomination

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The currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

Shares will be issued in larger and smaller denominations. There are 10,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what might, in other terms, be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each Fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of the relevant Fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

## Allocation

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The net proceeds from subscriptions to a Fund will be invested in the specific portfolio of assets constituting that Fund. The Company will maintain for each current Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Fund. Each Fund will be charged with the liabilities, costs, charges and expenses of the Company attributable to that Fund, and within the Funds charges will be allocated between Classes in accordance with the terms of issue of those Classes.

To the extent that any Scheme Property, any assets to be received as part of the Scheme Property, or any liabilities, costs, charges or expenses of the Company are not attributable to one Fund only, the ACD will allocate such Scheme Property, assets, liabilities, costs, charges or expenses between Funds in a manner which it considers to be fair to all Shareholders of the Company.

Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

## Income and Accumulation Shares

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The Company may issue Income Shares and Accumulation Shares in respect of each Fund.

Holders of Income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant annual allocation dates.

Holders of Accumulation Shares are not entitled to be paid the income attributed to such Accumulation Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the relevant annual accounting dates. This is reflected in the price of an Accumulation Share.

Further details relating to distributions and allocations of income in respect of Shares of each Fund are set out under the "Income" section of this Prospectus.

## Switching

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Shareholders are entitled (subject to certain restrictions) to convert or switch all or part of their Shares in a Class or a Fund for Shares of another Class within the same Fund or for Shares of the same or another Class within a different Fund of the Company. Details of this facility and the restrictions are set out under the "Converting and Switching Shares" section of this Prospectus.

## Register of Shareholders

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All Classes of Shares are in registered, uncertificated form. Certificates will not be issued to Shareholders.

The Administrator and Registrar has established and maintains the Register for each Fund, which is available for inspection by Shareholders at its office at St. Nicholas Lane, Basildon, Essex SS15 5FS. The Register shall be prima facie evidence as to the persons respectively entitled to the Shares entered in the Register. No notice of any trust – express, implied or constructive – shall be entered on the Register in respect of any Share and the ACD and the Administrator and Registrar shall not be bound by any such notice.

# Dealing

## General

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Requests to deal in Shares may be made by:

- (i) “per se professional clients” and “eligible counterparties” directly at the dealing office of the Administrator and Registrar, which is normally open from 9.00 a.m. to 5.00 p.m.<sup>1</sup> (London time) on each Dealing Day in respect of a Fund; or
- (ii) all investors, including “retail investors”, via a range of third-party intermediaries including platform providers and through Vanguard’s direct personal investing platform.

When dealing via the Administrator and Registrar, requests to deal in Shares may be made by telephone, by fax or by post on each Dealing Day (at the ACD’s discretion) directly to the office of the Administrator and Registrar (telephone: 0800 408 2065 or such other number as published from time to time; fax number 0844 620 0002 or such other number as published from time to time; postal address Vanguard Investments UK, Limited, P.O. Box 10315, Chelmsford, CM99 2AT, or such other address as published from time to time). Telephone calls may be recorded.

All requests to deal in Shares received on a Dealing Day after a Fund’s Cut-Off Time will be treated as having been received on the next Dealing Day. The ACD has made arrangements for the purchase and redemption of shares via third party intermediaries, including via on-line platform providers and the Vanguard personal investor platform, and the dealing procedures of the relevant platform provider should be referred to by any investor who wishes to purchase Shares via these routes.

Shares may also be purchased or redeemed on-line or through other communication media.

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

For the purposes of this section, “retail investors”, “per se professional client” and “eligible counterparty” are as defined in the FCA Handbook.

## Money Laundering Prevention

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As a result of legislation in force in the U.K. to prevent money laundering, the ACD is responsible for compliance with anti money laundering regulations. In order to implement these regulations, investors may be asked to provide proof of identity when buying, converting, switching or redeeming Shares. In certain circumstances it may be necessary for the ACD to re-verify an investor’s identity and request additional information for this purpose. The ACD may also choose to obtain information on any applicant for Shares and investor from a credit reference agency. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares or pay income on Shares to the investor. The ACD will not be liable for any Share price movements or loss of opportunity during any delays while money laundering checks are carried out. If additional administration is required to complete the registration of an investment as a result of anti-money laundering or fraud protection checks and procedures, the ACD reserves the right to make an administration charge in connection therewith.

## Minimum holdings

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The minimum holdings for each Fund are set out in Appendix 1. The ACD has the right to waive these limits. In the event that the minimum holdings are not maintained, the ACD reserves the further right to redeem the relevant shareholding in any Class of Shares.

Further, if following a redemption, switch or transfer, a holding in any Class of Shares should fall

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<sup>1</sup> The Administrator and Registrar may vary these times at its discretion.

below the minimum holding for that Class, as set out in Appendix 1, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Shares. Failure of the ACD to do so immediately after such redemption, switch or transfer does not remove this right.

# Buying Shares

## Procedure

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“Per se professional clients” and “eligible counterparties” may purchase Shares directly from the Administrator and Registrar. Application forms may be obtained from the Administrator and Registrar. Other categories of investor may engage with the Administrator and Registrar through a professional adviser or other intermediary. Applicable tax regulations require the ACD to collect information about each investor’s tax residency. Application forms for Shares request this information. In certain circumstances (including if the ACD does not receive a valid self-certification from an investor), the ACD may be obliged to share information on the investor’s account with HMRC. If an investor has any questions about their tax residency, they should contact a tax adviser. Should any information provided change in the future, investors are requested to advise the ACD promptly of the changes.

Valid applications to purchase Shares of a Fund will be processed at a purchase price calculated with reference to the next Valuation Point for that Fund following receipt of the application, except in the case where dealing in a Fund has been suspended as set out below. For the avoidance of doubt, all valid applications received before a Fund’s Cut-Off Time on a Dealing Day will receive that Dealing Day’s Valuation Point. All valid applications received after a Fund’s Cut-Off Time on a Dealing Day will receive the next Dealing Day’s Valuation Point.

The ACD reserves the right to limit the issue of Shares in any Fund or Class where the liquidity within the Fund or Class is deemed to be detrimental to its performance by closing the Fund or Class to new subscriptions, conversions or switches into it, either from existing Shareholders or new applicants or both. An example of the circumstances in which this may occur could be where the ACD determines that it would be prudent to limit the capacity of the size of a Fund the investment objective of which is aimed at a particular market or sector.

## Settlement

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Settlement of purchase monies is due within two Business Days following the relevant Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the Administrator and Registrar once the Administrator and Registrar is in receipt of cleared funds for the application. If full settlement of purchase monies is not made within a reasonable period, then the ACD reserves the right to make an administration charge and/or cancel any Shares sold/issued in respect of the application and recover any shortfall. Purchase monies must be received by telegraphic transfer or BACS transfer. The applicant shall bear all bank costs or other costs associated which are levied on such transfer. The ACD reserves the right to accept other forms of payment in its discretion; however, please note that no cheques will be accepted, subject to the ultimate discretion of the ACD.

## Acceptance of applications

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A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract.

Once made, applications to purchase are, except in the case where cancellation rights are applied, irrevocable on the part of the applicant for Shares, subject to the complete discretion of the ACD to permit an applicant to withdraw or amend any application after it has been submitted but before the Fund’s Valuation Point has been reached.

The ACD has the right to reject, on reasonable grounds but without providing an explanation and at any time before the Valuation Point, any application for Shares in whole or in part. In this event, the ACD will return any money sent, or the balance of such monies without interest. Such rejection is at the risk of the applicant as is the return of any monies. The ACD may scale back applications by investors to purchase Shares on the relevant Dealing Day on such basis as it may deem appropriate and may reject any application for Shares in whole or in part to give effect to such a

scale back. In such event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant and without interest.

The ACD, at its discretion, also has the right to cancel a purchase deal if settlement is overdue. Any loss arising on such cancellation shall be the liability of the applicant and the ACD reserves the right to pursue the applicant for any shortfall owing to a Fund or the ACD together with interest (equivalent to the ACD's cost of borrowing) thereon. Alternatively, at the ACD's discretion, interest may be charged (at the ACD's cost of borrowing) if settlement is overdue.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant and will instead be used to purchase fractions of whole Shares (known as smaller denomination Shares). A smaller denomination Share is equivalent to one-tenthousandth of a whole Share (or to four decimal places).

## Documents the Applicant will receive

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A confirmation giving details of the price and number of Shares purchased will be issued, normally no later than the end of the Business Day following the Valuation Point for the relevant Fund (making reference to the determination of the price and, where appropriate, a notice of the applicant's right to cancel).

Registration of Shares can only be completed by the Administrator and Registrar upon receipt of any required registration details and receipt of all purchase monies. These details may be supplied separately in writing to the Administrator and Registrar or by returning to the Administrator and Registrar the properly completed application form and copy of the confirmation.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions (or accumulations) of income on Shares will show the number of Shares held by the recipient.

## Minimum subscriptions

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The minimum subscription levels for each Class of Shares in a Fund are set out in Appendix 1. The ACD may, at its sole discretion, accept subscriptions lower than the minimum amount(s).

## Cancellations

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Applicants who have received advice from their financial advisers may have the right to cancel their application to buy Shares at any time during the 14 calendar days after the date on which they receive a cancellation notice from the Administrator and Registrar. If an applicant decides to cancel the contract and the value of the investment has fallen from the time of the Valuation Point to the time when after the Administrator and Registrar receives the completed cancellation notice, the applicant may not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. No interest will be paid on refunds due to cancellations.

## Market timing and frequent trading

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Each of the Funds of the Company is designed and managed to support longer-term investment and active trading in Fund Shares is discouraged. Short-term or frequent trading into and out of a Fund as well as market timing may harm performance by disrupting fund management and by increasing expenses. The ACD may, at its discretion, refuse to accept applications for purchase of, or requests for switching of, Shares, especially where transactions are deemed disruptive, particularly from possible frequent traders or market timers.

In general, market timing refers to the investment behaviour of a person or group of persons buying, selling or switching investments in anticipation of making a profit on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern. Frequent trading is characterised by transactions in and out of funds, occurring on a frequent basis.

Market timing can include elements of frequent trading and vice-versa. Both behaviours will tend to include frequent purchases and redemptions of Shares with a view to profiting from anticipated changes in market prices between Valuation Points or arbitraging on the basis of market price changes subsequent to those that are used in a Fund's valuation.

Such market timing and frequent trading activities are disruptive to fund management, may lead to additional dealing charges – which cause losses/dilution to a Fund – and may be detrimental to performance and to the interests of long-term Shareholders. Accordingly, the ACD may in its absolute discretion and without providing any reason, reject any application for subscription or switching of Shares from applicants that it considers to be associated with market timing activities.

The ACD may also combine Shares which are under common ownership or control for the purposes of determining whether the activities of Shareholders can be deemed to involve market timing or frequent trading.

### **Issue of Shares in exchange for in specie assets**

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The ACD may, at its discretion, arrange for the Company to issue Shares in respect of a Fund in exchange for in specie assets (that is, for securities rather than for cash). Such in specie assets must be in a form in which the relevant Fund may invest in accordance with its particular investment objectives and policies as set out in Appendix 1.

No Shares may be issued in exchange for such in specie assets unless the Depositary has taken reasonable care to ensure that the Company's acquiring of the assets concerned would not be likely to result in any material prejudice to the interests of Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares. The ACD reserves the right to pass all costs associated with the transfer of such assets, including without limitation any applicable SDRT, directly onto the Shareholder contributing such assets in exchange for Shares.

# Redeeming Shares

## Procedure

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Every Shareholder is entitled on any Dealing Day to redeem its Shares.

Valid instructions to the Administrator and Registrar to redeem Shares in a Fund will be processed at a redemption price calculated with reference to the next Valuation Point for that Fund following receipt of the instruction, except in the case where dealing in a Fund has been suspended as set out under the "Suspension of Dealings" section of this Prospectus. For the avoidance of doubt, all redemption instructions received before a Fund's Cut-Off Time on a Dealing Day will receive that Dealing Day's Valuation Point. All redemption instructions received after a Fund's Cut-Off Time on a Dealing Day will receive the next Dealing Day's Valuation Point. Currently, transfers of title to Shares may not be effected on the authority of an electronic communication.

A redemption instruction to the Administrator and Registrar made in writing or by telephone or any other communication media made available is a legally binding contract and is irrevocable on the part of the redeeming Shareholder, subject to the complete discretion of the ACD to permit an applicant to withdraw or amend any application after it has been submitted but before the Fund's Valuation Point has been reached. However, an instruction to the Administrator and Registrar to redeem Shares, although irrevocable, may not be settled by either the Company or the Administrator and Registrar if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

The amount to be paid as the proceeds of a redemption of Shares shall not be less than the price of Shares of the relevant Class less:

- (i) any redemption charge permitted; and
- (ii) any SDRT permitted to be retained by the ACD (and not otherwise already paid by the Shareholder).

The ACD reserves the right to make a charge for redemptions and details of any such applicable charge against the relevant Fund and Class are set out in Appendix 1.

## Documents a redeeming Shareholder will receive

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A confirmation giving details of the price and number of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point of the relevant Fund by reference to which the price of the redeemed Shares is determined.

## Settlement

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Payment of redemption proceeds will normally be made by telegraphic transfer or BACS transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers), or, at the ACD's discretion, by cheque to the first named Shareholder (at their risk).

Such payment will be made within two Business Days of the later of:

- (i) receipt by the Administrator and Registrar of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, and any required anti- money laundering related documentation; or
- (ii) the Valuation Point of the relevant Fund at which the price for the redemption was determined.

### Deferred redemption

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In times of high redemption, to protect the interests of continuing Shareholders, the ACD may defer all redemptions at any Valuation Point to the next Valuation Point where requested redemptions exceed 10% of the Fund's value. This will allow the ACD to match the sale of the Scheme Property to the level of redemptions. At the next such Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to a later Valuation Point are considered.

### In specie cancellation

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In the event that a Shareholder requests the redemption or cancellation of Shares that the ACD considers substantial in relation to the total size of the Fund concerned, the ACD may, at its discretion, elect to satisfy the redemption request by the transfer of an appropriate amount of the Scheme Property in specie to the Shareholder instead of paying the price of the Shares in cash.

A deal involving Shares representing 3% or more in value of a Fund will normally be considered substantial.

Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that the Scheme Property will be transferred to that Shareholder.

The ACD, in consultation with the Depositary, will select the Scheme Property to be transferred. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders. Where a redemption request is received that is not substantial in relation to the total size of the Fund concerned, the ACD may, in its discretion after consultation with the Depositary, agree to an in specie cancellation with the relevant Shareholder in accordance with the provisions set out above.

In the event of an in-specie cancellation, the ACD reserves the right to pass all costs associated with the transfer of such assets, including without limitation any applicable SDRT, directly onto the redeeming Shareholder.

## Converting and Switching Shares

Subject to any instructions on eligibility of investors in a particular Share Class, Shareholders are entitled to convert or switch some or all of their Shares of one Class (“Original Shares”) for Shares of another Class within the same Fund or for Shares of any Class within a different Fund (“New Shares”).

A switch involves the redemption of the Original Shares and the purchase of the New Shares. The number of New Shares issued will be determined by reference to the respective purchase prices of New Shares and redemption prices of Original Shares established with reference to the Valuation Point applicable when the Original Shares are redeemed and the New Shares are issued.

Subject to any restrictions on eligibility of investors in a particular Share Class:

- instructions for converting Shares may be given by telephoning the Administrator and Registrar’s Dealing Department on telephone number 0800 408 2065 or in writing to the Administrator and Registrar on fax number 0844 620 0002;
- instructions for switching Shares may be given by “per se professional clients” and “eligible counterparties” by telephoning the Administrator and Registrar’s Dealing Department on telephone number 0800 408 2065 or in writing to the Administrator and Registrar on fax number 0844 620 0002;
- other categories of investor (including “retail investors”) may effect a switch (or conversion) of Shares by engaging with the Administrator and Registrar through a professional adviser or other intermediary.

If a conversion or switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, exchange the whole of the Shareholder’s holding of Original Shares to New Shares or refuse to effect any conversion or switch of the Original Shares. No conversion or switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to a conversion or switch. Written instructions must be received by the Administrator and Registrar before the Cut-Off Time of the relevant Fund on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at the Valuation Point of the relevant Fund on that Dealing Day. Conversion and switching requests received after a Cut-Off Time will be held over until the next Dealing Day in the relevant Fund or Funds.

The Administrator and Registrar may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

Shareholders subject to U.K. tax should note that a conversion or switch of Shares within the same Fund will generally not be treated as a disposal for the purposes of capital gains taxation. Switches of Shares between different Funds may be treated as a disposal for purposes of capital gains taxation and so may give rise to a capital gains tax liability.

Cancellation rights will not be given on conversions or switches. Shareholders who convert or switch Shares of one Class for Shares of any other Class, or switch Shares of one Fund for shares of any other Fund, will not be given a right by law to withdraw from or cancel the transaction.

For the purposes of this section, “retail investors”, “per se professional client” and “eligible counterparty” are as defined in the FCA Handbook.

## Suspension of Dealing in Shares

The ACD may, with the prior agreement of the Depositary or must, if the Depositary so requires, at any time temporarily suspend the purchase, cancellation, redemption, conversion and switching of Shares in any or all of the Funds if the ACD or the Depositary, as appropriate, is of the opinion that due to exceptional circumstances there is a good and sufficient reason to do so having regard to the interests of all Shareholders in the Company and/or the relevant Fund.

If the redemption of Shares is suspended, the obligations contained in Chapter 6 of the COLL Sourcebook relating to the creation, cancellation, issue and redemption of Shares will cease to apply and the obligations relating to the valuation of Shares will be complied with only to the extent practicable in light of the suspension.

Appropriate notification of suspension will be given to Shareholders as soon as practicable after suspension commences. This notification will draw Shareholders' particular attention to the exceptional circumstance which resulted in the suspension and tell them how to obtain further information on the suspension, which will be published on the ACD's website or by other general means and will include sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration. In accordance with the COLL Sourcebook, the FCA will also be immediately informed of the suspension and the reasons for it. The ACD and the Depositary will review the suspension at least every 28 days and will inform the FCA of the results. The suspension will continue only for as long as it is justified having regard to the interests of the Shareholders and will cease as soon as practicable after the exceptional circumstances which resulted in the suspension have ceased.

Recalculation of Share prices will commence at the next relevant Valuation Point immediately after the period of suspension ends.

## ACD Dealing as Principal

The ACD will, on the completion of the valuation of each Fund, advise the Depositary of the price of Shares of that Fund. This is the price which the ACD has to pay to the Depositary for the issue of Shares and which the ACD will receive from the Depositary upon the cancellation of Shares. The ACD deals as principal in these Shares and may hold Shares for its own account. However, Shares will generally only be held by the ACD to facilitate Share orders. Any profits or losses arising from such transactions shall accrue to the ACD and not to the Fund. The ACD is under no obligation to account to the Depositary or to Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed.

## Restrictions and Compulsory Transfer and Redemption of Shares

### General

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The ACD may from time to time impose such restrictions as it may think necessary to ensure that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or otherwise contrary to any provision of this Prospectus. In connection with this, the ACD may reject in its discretion any application for the purchase, redemption, conversion or switching of Shares.

In particular, the ACD may impose such restrictions in respect of "Non-Qualified Persons", defined as any person to whom a transfer of Shares (legally or beneficially) or by whom a holding or acquisition of Shares (legally or beneficially) would or, in the opinion of the ACD, might:

- (i) be in or constitute a breach of any law (or regulation by a competent authority) of any country or territory, or of any provision of this Prospectus, by virtue of which the person in question is not qualified or permitted to hold such Shares; or
- (ii) require the Company to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration, or comply with any registration requirements in respect of any of its Shares, whether in the U.S. or any other jurisdiction; or
- (iii) cause the Company or its Shareholders some legal, regulatory, taxation, pecuniary or material administrative disadvantage or other adverse consequence which the Company or its Shareholders might not otherwise have incurred or suffered, which shall include, without limitation, subjecting the Company to any reporting or withholding obligation or liability under Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"); or
- (iv) result in the Company having more than 80 beneficial owners of its Shares (whether directly or by attribution pursuant to Section 3(c)(1)(A) of the U.S. Investment Company Act of 1940) who are U.S. Persons; or
- (v) subject to (i) through (iv) above, result in any direct or indirect beneficial interest in any Shares held by any U.S. Taxpayer (as defined below) other than (1) a "specified United States person" (as defined in Section 1473(3) of the Code) and (2) such other persons whose direct or indirect ownership of Shares shall not, as determined by the ACD, subject the Company to any reporting or withholding obligation or liability under Sections 1471- 1474 of the Code.

For these purposes, a "U.S. Taxpayer" includes: (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a U.S. Taxpayer under U.S. Treasury Department regulations; (iv) any estate, the income of which is subject to U.S. income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

If it comes to the notice of the ACD that any Shares are or may be owned or held legally or beneficially by a Non-Qualified Person ("affected Shares") the ACD may give notice to the registered holder(s) of the affected Shares requiring either the transfer of such Shares to a person who is not a Non-Qualified Person or a request in writing for the redemption or cancellation of such Shares in accordance with the COLL Sourcebook. If any person upon whom such a notice is served does not, within 30 days after the date of such notice, transfer the affected Shares to a person who is not a Non-Qualified Person or establish to the satisfaction of the ACD (whose judgement is final and binding) that he and the beneficial owner are not Non-Qualified Persons, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares pursuant to the COLL Sourcebook.

A person who becomes aware that he has acquired or holds affected Shares as described above shall forthwith, unless he has already received a notice from the ACD as above, either transfer the affected Shares to a person qualified to own them or give a request in writing for the redemption or cancellation of such Shares pursuant to the COLL Sourcebook.

The Company may refuse to register a transfer of Shares.

## U.S. Persons

The Shares have not been and will not be registered under the U.S. Securities Act of 1933 as amended (“**Securities Act**”) and, subject to certain exceptions, may not be offered or sold in the U.S. or offered or sold to U.S. Persons. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the U.S. Investment Advisers Act of 1940.

# Valuation

## Valuation

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The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates and the basis of calculation of Net Asset Value is summarised in Appendix 2.

The ACD will carry out a valuation of each Fund with the frequency and at the Valuation Points detailed in Appendix 1.

The ACD reserves the right, subject to prior approval from the Depositary, to:

- (i) value the property of all or any of the Funds at an alternative time on any day; and
- (ii) suspend valuation of the property of a Fund at any time when the buying, selling, converting and switching of Shares is suspended.

## Fair value pricing policy

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Where the ACD, or its appointed investment adviser, considers that no reliable price exists for a share in a collective investment scheme or for a security or investment at a Valuation Point, the ACD, or its appointed investment adviser, may value an investment at a price that in its opinion reflects a fair and reasonable price for that investment (the fair value price). The circumstances which may prompt the ACD, or its appointed investment adviser, to apply fair value prices may include, but are not limited to, no recent transaction in the relevant security, the occurrence of a market closure or suspension including by way of a national or declared holiday, the suspension of dealings in securities (including in a collective investment scheme) or the occurrence of a significant event since the most recent market closure or the valuation point at which one or more of the Associated Schemes or investments is valued.

The ACD, or its appointed investment adviser, may adjust values for individual securities, sectors, geographic areas or units in collective investment schemes. Adjustment for sectors, geographic areas or units in collective investment schemes will be based upon the percentage movement in a benchmark index or composite index or part thereof, one or more exchange traded funds or such other publicly available comparator which the ACD, or its appointed investment adviser, believes is correlated to part or the whole of a relevant Fund's value. The ACD, or its appointed investment adviser, will determine the threshold at which any adjustment will be applied.

## Special valuations

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The ACD, or its appointed investment adviser, may carry out an additional valuation of the property of a Fund at any time during a Dealing Day if it considers it desirable to do so and may carry out special valuations in certain circumstances (which the ACD, or its appointed investment adviser, may treat as not creating a Valuation Point for dealing purposes), including, without limitation, the following:

- (i) where necessary for the purposes of effecting a scheme of reconstruction or amalgamation;  
or
- (ii) on the day on which the annual or half-yearly accounting period ends.

## Share Prices

### Pricing basis

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The Company deals on a forward-pricing basis at Share prices which are calculated with reference to the next Valuation Point determined for the Scheme Property after the purchase, redemption, conversion or switch of Shares is agreed.

Shares are priced on a single, mid-market basis in accordance with the FCA Handbook.

### Calculation of Share prices

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There will only be a single price for any Share as determined from time to time by reference to a particular Valuation Point.

The price of Shares of a relevant Class is calculated by reference to the Net Asset Value of the Fund to which it relates, as adjusted by any dilution adjustment (further details of which are set out in the "Dilution Adjustment" section below). In addition, as set out in Appendix 1, for purchases, there may be a preliminary charge and for redemptions, there may be a redemption charge.

### Publication of prices

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Daily prices for each Fund of the Company will be published on <https://www.vanguard.co.uk/uk-fund-directory> and may be published on **www.ft.com**, and/or on such other websites and publications as may be determined by the ACD from time to time.

Shareholders can obtain up-to-date Fund prices free of charge by telephoning the Administrator and Registrar at 0800 408 2065 or by fax on 0844 620 0002.

As the ACD deals on a forward-pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices on other third-party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## Dilution Adjustment

The actual cost of purchasing Shares in a Fund may be higher or lower than the mid-market value used in calculating the Share price. These costs may include dealing costs such as brokerage charges, commissions and transfer taxes (including SDRT (as applicable)), and the effects of dealing at prices other than the mid-market price. When investors purchase and redeem Shares, such charges and the dealing spread can have a materially disadvantageous effect on a Shareholder's interest in a Fund, known as "dilution". In order to mitigate the effect of dilution, the ACD may determine, at its discretion, to make a dilution adjustment in calculating the dealing price of Shares of a Fund (a policy called "swing pricing").

When applying a dilution adjustment, the ACD will calculate the Net Asset Value for the relevant Fund, and then adjust or "swing" the Net Asset Value with reference to the rate of the applicable dilution adjustment. These swings are intended to protect non-dealing Shareholders in the Funds from the impact of transaction charges and dealing spreads (as described above) triggered by dealing investors. The ACD will not benefit from the operation of its swing pricing policy, and a dilution adjustment will only be applied for the purpose of reducing dilution in the interests of all Shareholders and potential Shareholders in the Fund.

As dilution is directly related to the inflows and outflows of monies in a Fund, it is not possible to predict accurately whether dilution will occur at any point in time, or to predict accurately how frequently the ACD will make a dilution adjustment to the dealing price of Shares. However, the ACD's current policy is that it will normally make a dilution adjustment when there are net purchases or net redemptions of Shares on a Dealing Day that exceed a pre-determined level (the "Swing Threshold") and if, in its opinion, Shareholders may otherwise be materially adversely affected. The ACD currently anticipates that a dilution adjustment will only be applied when a Fund experiences very large cash flows or in the event of exceptional market activity.

The direction in which the Net Asset Value is swung will depend on whether there are net purchases or net redemptions in the Fund on the relevant Dealing Day. For example, if the relevant Fund is experiencing net inflows (i.e., the aggregate number of Shares purchased exceeds the number of Shares redeemed), and the Swing Threshold has been reached, its Net Asset Value may be swung upwards as the dilution adjustment would increase the price of Shares above their Net Asset Value per Share. Conversely, where the aggregate number of Shares redeemed in the Fund exceeds the number of Shares purchased (net redemptions), and the Swing Threshold has been reached, the Net Asset Value may be swung downwards as the dilution adjustment would reduce the price of Shares to below their Net Asset Value per Share. Where the Swing Threshold has been reached on a Dealing Day, the adjusted dealing price of Shares of the Fund will be applicable to all transactions on that Dealing Day. In specie transfers will not be taken into account when determining any dilution adjustment, and any incoming portfolio will be valued on the same basis as the relevant Fund is priced.

As the estimated costs of buying and selling the underlying investments of a Fund can vary with market conditions, the amount of the dilution adjustment can vary over time and may vary from Fund to Fund. Based on historical data, the ACD does not anticipate that the dilution adjustment will exceed 2% of the Net Asset Value of any Fund; however, the ACD reserves the right to adjust this figure at any time in the event of exceptional market conditions or in any case where it is of the opinion that the interests of Shareholders require the imposition of a higher level of adjustment.

Even where the Swing Threshold has been met, the ACD may in its discretion decide not to make a dilution adjustment if it considers that the benefits to Shareholders of not making one outweigh the detriments. Where a Fund is experiencing net purchases or net redemptions of Shares and a dilution adjustment is not applied, there may be an adverse impact on the Shareholders of the Fund.

The Swing Threshold and the ACD's policy to swing the dealing price will be reviewed regularly and may change. The ACD's decision as to whether or not to make a dilution adjustment at any time, and as to the level of adjustment made either in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances at a later time.

In the event that a dilution adjustment is applied to the Net Asset Value on any particular Dealing Day in accordance with the criteria outlined above, the Net Asset Value per Share of each class of Shares, prior to the application of the dilution adjustment, will be available to Shareholders on request.

## SDRT provision

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The Funds will generally owe SDRT on purchases of U.K. stocks.

The cost of SDRT may be met directly from the Scheme Property or recovered from Shareholders on the purchase or redemption of Shares in a Fund.

The ACD's current policy is that all SDRT charges are paid directly from the Fund's Scheme Property at the applicable rate (currently 0.5%). Where a charge to SDRT arises as a result of subscriptions and redemptions in the Funds, this is currently included in the dilution adjustment calculation, as set out above. However, the ACD reserves the right to recover any such SDRT charge directly from investors on the purchase or redemption of Shares.

## Risk Factors and Performance

Investment in any Fund involves a degree of risk. While there are some risks that may be common to a number or all of the Funds, there may also be specific risk considerations that apply to particular Funds. Investors should consider the following risk factors before investing in any Fund. Risk factors apply directly to each Fund in connection with investments it holds or strategies it undertakes **and, indirectly, through the collective investment schemes in which each Fund invests**. The value of Shares may go down as well as up, and investors may not get back the amount invested or any return on an investment. There can be no assurance that any Fund will achieve its investment objective. Upon request by any Shareholder, information relating to risk management methods employed for any Fund, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments, may be provided to such Shareholder.

### Past performance

**Past performance is not a reliable indicator of future results and can in no way provide a guarantee of future returns. The price of Shares and the income from them can fall as well as rise and Shareholders may not get back the amount originally invested. For Funds which are newly established, historical performance may not be available.**

Fund and Class	2020	2021	2022	2023	2024
<b>Vanguard LifeStrategy 20% Equity Fund<sup>2</sup></b>					
Vanguard LifeStrategy 20% Equity Fund – A GBP Gross Income*	7.51%	1.83%	-15.84%	7.17%	3.23%
Vanguard LifeStrategy 20% Equity Fund – A GBP Gross Accumulation*	7.51%	1.83%	-15.84%	7.17%	3.24%
<b>Vanguard LifeStrategy 40% Equity Fund<sup>3</sup></b>					
Vanguard LifeStrategy 40% Equity Fund – A GBP Income	7.71%	5.73%	-13.61%	8.45%	6.08%
Vanguard LifeStrategy 40% Equity Fund – A GBP Accumulation	7.71%	5.73%	-13.61%	8.45%	6.08%
<b>Vanguard LifeStrategy 60% Equity Fund<sup>4</sup></b>					
Vanguard LifeStrategy 60% Equity Fund – A GBP Income	7.84%	9.93%	-11.22%	10.14%	9.65%
Vanguard LifeStrategy 60% Equity Fund – A GBP Accumulation	7.84%	9.93%	-11.22%	10.14%	9.65%
<b>Vanguard LifeStrategy 80% Equity Fund<sup>5</sup></b>					
Vanguard LifeStrategy 80% Equity Fund – A GBP Income	7.68%	14.44%	-8.81%	11.83%	13.20%
Vanguard LifeStrategy 80% Equity Fund – A GBP Accumulation	7.68%	14.44%	-8.81%	11.83%	13.20%

<b>Fund and Class</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Vanguard LifeStrategy 100% Equity Fund<sup>6</sup></b>					
Vanguard LifeStrategy 100% Equity Fund – A GBP Income	7.22%	19.15%	-6.25%	13.47%	16.80%
Vanguard LifeStrategy 100% Equity Fund – A GBP Accumulation	7.22%	19.15%	-6.25%	13.47%	16.80%
<b>Vanguard Target Retirement 2015 Fund</b>					
Vanguard Target Retirement 2015 Fund – A GBP Accumulation	5.93%	5.41%	-9.10%	8.23%	5.82%
<b>Vanguard Target Retirement 2020 Fund</b>					
Vanguard Target Retirement 2020 Fund – A GBP Accumulation	6.69%	7.78%	-9.50%	8.99%	7.03%
<b>Vanguard Target Retirement 2025 Fund</b>					
Vanguard Target Retirement 2025 Fund – A GBP Accumulation	7.39%	9.39%	-10.27%	9.85%	8.87%
<b>Vanguard Target Retirement 2030 Fund</b>					
Vanguard Target Retirement 2030 Fund – A GBP Accumulation	7.51%	10.56%	-10.25%	10.46%	10.04%
<b>Vanguard Target Retirement 2035 Fund</b>					
Vanguard Target Retirement 2035 Fund – A GBP Accumulation	7.53%	11.70%	-9.66%	10.87%	10.90%
<b>Vanguard Target Retirement 2040 Fund</b>					
Vanguard Target Retirement 2040 Fund – A GBP Accumulation	7.47%	12.87%	-9.13%	11.32%	11.78%
<b>Vanguard Target Retirement 2045 Fund</b>					
Vanguard Target Retirement 2045 Fund – A GBP Accumulation	7.61%	13.99%	-8.60%	11.70%	12.66%
<b>Vanguard Target Retirement 2050 Fund</b>					
Vanguard Target Retirement 2050 Fund – A GBP Accumulation	7.65%	14.17%	-8.39%	11.93%	13.22%
<b>Vanguard Target Retirement 2055 Fund</b>					
Vanguard Target Retirement 2055 Fund – A GBP Accumulation	7.60%	14.15%	-8.39%	11.91%	13.24%
<b>Vanguard Target Retirement 2060 Fund</b>					
Vanguard Target Retirement 2060 Fund – A GBP Accumulation	7.65%	14.16%	-8.32%	11.91%	13.22%
<b>Vanguard Target Retirement 2065 Fund</b>					
Vanguard Target Retirement 2065 Fund – A GBP Accumulation	7.70%	14.13%	-8.35%	11.89%	13.24%

Source: The Vanguard Group Inc. Performance calculations are based on NAV to NAV prices with net income reinvested. Past performance is shown for complete 12 month (calendar year) periods only.

## Stock market risk

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The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets, and there can be no assurances that appreciation will occur. Funds that invest in stocks are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

## Vanguard Target Retirement Funds risks

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The Vanguard Target Retirement Funds are subject to the risks associated with the stock markets and the other investment risks noted in this “Risk Factors” section, any of which could cause an investor to lose money. An investment in a Target Retirement Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that a Target Retirement Fund will provide adequate income at or after its target year.

Please refer also to the “Vanguard Target Retirement Funds” section of this Prospectus for further information about these Funds.

## Sustainability Risk

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Sustainability risks can be singular risks or may combine with, exacerbate or contribute to other risks such as market risks, liquidity risks or counterparty risks and may be detrimental to the performance or returns of a Fund. Common examples of each of these risks may include, but are not limited to, climate change (environmental), human rights (social) and management remuneration overly focused on short term goals (governance).

Given the strategy of the Funds is to invest in Associated Schemes, in certain cases the Funds’ investments may be exposed to material sustainability risks.

Each Associated Scheme will have its own specific approach to assessment and mitigation of sustainability risks which will be set out in more detail in the prospectus of the relevant Associated Scheme.

## Investment style risk

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Funds are subject to investment style risk, which is the chance that returns from the types of stocks in which a Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go through cycles of doing better – or worse – than the stock market in general. These periods have, in the past, lasted for as long as several years, and there can be no assurances that appreciation will occur.

## Investment adviser risk

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Each Fund is subject to the risk that the Investment Adviser (or a sub-investment adviser) may do a poor job of selecting investments.

## Country risk

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Country risk is the chance that domestic events – such as political upheaval, financial troubles, or natural disasters – will weaken a country’s securities markets. The value of the assets of a Fund may be affected by uncertainties such as political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

Foreign taxes risk: the Company may be liable to taxes (including withholding taxes) in countries other than the UK on income earned and capital gains arising on its investments in those countries. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between the UK and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the

Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## Emerging markets risk

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There are certain risks involved in investing in securities of companies and governments of emerging market countries that are in addition to the usual risks inherent in investment in securities of more-developed countries. Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are likely to be greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

- **Fraudulent Securities** – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
- **Currency Exchange Rate Fluctuations** – Significant changes in the currencies of the countries in which investments are made may occur following the investment of a Fund in these currencies. These changes may impact the total return of the Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.
- **Settlement and Custody Risks** – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result, there exists the risk that settlement may be delayed and that cash or securities could be disadvantaged.
- **Investment and Remittance Restrictions** – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval.
- **Accounting** – Accounting, auditing and financial reporting standards, and other regulatory practices and requirements (in terms of the nature, quality and timeliness of information disclosed to investors) applicable to companies in emerging markets are often less rigorous than those applicable in more developed markets. Accordingly, investment possibilities may be difficult to properly assess.

## Currency risk

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Currency risk is the chance that changes in currency exchange rates will unfavourably affect the value of the investments held by a Fund relative to investors' home currencies.

The Net Asset Value per Share will be computed in the base currency of the relevant Fund or Class, whereas the investments held for the account of that Fund may be acquired in other currencies. The base currency value of the investments of a Fund designated in another currency may rise and fall due to exchange-rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments of each Fund may be fully hedged to its base currency. Currency hedging transactions, although potentially reducing the currency risks to which a Fund would otherwise be

exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Fund enters into “cross hedging” transactions (for example, utilising a currency different from the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in losses for both the hedging transaction and the Fund securities.

## Liquidity risk

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The ACD’s ability to invest and liquidate the assets of Funds in smaller companies may, from time to time, be restricted by the liquidity of the market for smaller company securities in which the Fund, or any collective investment scheme in which the Fund is invested, is invested.

## Bond and fixed interest securities risk

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Funds that invest in bonds and other fixed interest securities are subject to the following risks:

- **Interest rate risk** – which is the chance that bond prices overall will decline because of rising interest rates.
- **Income risk** – which is the chance that a Fund’s income will decline because of falling interest rates.
- **Credit risk** – which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer’s ability to make such payments will cause the price of that bond to decline.
- **Call risk** – which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The Fund would then lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income. For mortgage-backed securities, this risk is known as prepayment risk.

In addition, investments in fixed interest securities which are below investment grade may result in a Fund, or a collective investment scheme in which a Fund invests, having a greater risk of loss of principal and/or interest than an investment in debt securities which are deemed to be investment grade or higher.

## Derivative instruments risk

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The Funds may employ certain derivative instruments for the purposes of efficient portfolio management (including hedging) as described under “**Portfolio Investment Techniques**” in **Appendix 4**, and, where expressly stated, in order to achieve the investment objective and policy of each Fund. **The aim of any derivative or forward used for such reasons is not to alter materially the risk profile of the Fund; rather, their use is to assist the ACD in meeting the investment objectives of each Fund as set out in Appendix 1. Currently, the investment policy of each Fund provides that it may use derivatives for efficient portfolio management or hedging purposes, but not for purposes of investment.**

The risks associated with the use of derivatives are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and which may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by a Fund will succeed.

The following risks are particularly relevant in terms of the use of derivatives:

- **Correlation risk.** Although the ACD believes that taking exposure to underlying assets through the use of derivatives will benefit Shareholders in certain circumstances, by reducing operational costs and creating other efficiencies, there is a risk that the performance of a Fund will be imperfectly correlated with the performance that would be generated by investing directly in the underlying assets.
- **Interest rate risk.** These are risks primarily associated with the chance that the market value of derivatives held by a Fund will decline because of rising interest rates. Interest rate risk will be high for a Fund which invests mainly in long-term zero coupon swaps, whose prices are more sensitive to interest rate changes than are the prices of intermediate bonds.
- **Management risk.** Derivatives are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.
- **Credit risk.** The use of derivatives involve the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as the “counterparty”) to make required payments or otherwise comply with the contract’s terms. Counterparties to these transactions are therefore required to provide collateral, in the form of cash or securities, to protect the Company and the relevant Fund against the risk of the counterparty’s default.

There is also the risk that, due to a significant change in the value of the derivative because of market conditions, the collateral posted by the counterparty would not be sufficient to cover the counterparty’s obligations under the derivatives, should the counterparty become insolvent, bankrupt or default prior to the receipt of additional collateral. This may result in substantial losses to the Company and the relevant Fund. The Company maintains collateralisation policies to mitigate counterparty risk, including as follows:

- cash or securities held by the relevant Fund or by the counterparty, as applicable, are posted as collateral to cover daily mark-to-market changes to the value of the derivatives portfolio, and specific haircut policies will apply depending on collateral type and risk associated with the underlying security;
- based on changes in the market value of each derivative transaction, collateral is posted, or received, daily on a net basis, to ensure that the value of the collateral covers the relevant Fund’s mark-to-market exposure to the counterparty; and
- in the event of a counterparty default, collateral held is immediately available (without recourse) to cover the relevant Fund’s current mark-to-market exposure to a counterparty.

Additionally, credit default swaps could result in losses if the Investment Adviser does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

- **Collateral reinvestment risk.** There is a risk that cash collateral reinvestment could result in a reduction of the value of the collateral capital (because the investment declines in value). This, in turn, may cause losses to the Company and the relevant Fund because they are obliged to return collateral to the counterparty. In order to manage this risk, the Company reinvests cash collateral in accordance with the guidelines set out in Appendix 4.
- **Liquidity risk.** This risk exists when a particular derivative is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as in the case with many OTC derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

- **Pricing risk.** This risk exists when a particular derivative becomes extraordinarily expensive relative to historical prices or the prices of corresponding cash market instruments. Under certain market conditions, it may not be economically feasible to initiate a transaction or liquidate a position in time to avoid a loss or to take advantage of an opportunity.
- **Gearing (or leverage) risk.** Because many derivatives have a leveraged component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. The Company's Funds are managed on a non-g geared basis unless otherwise specified for any Fund in Appendix 1.
- **Market risk.** Like most other investments, derivatives are subject to the risk that the market value of the instrument will change in a way detrimental to the Fund's interests. While hedging strategies involving derivatives can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other portfolio investments. A Fund may also have to buy or sell a security at a disadvantageous time or price because it is legally required to maintain offsetting positions or asset coverage in connection with certain derivative transactions.
- **Settlement risk.** Derivative markets will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of the Fund are uninvested and no return is earned thereon. A Fund's inability to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to the Fund due to subsequent declines in the value of the security or, if the Fund has entered into a contract to sell the security, it could result in a possible liability of it to the purchaser.
- **Legal risk.** The terms of OTC derivatives are generally established through negotiation between the parties thereto. While therefore more flexible, OTC derivatives may involve greater legal risk than exchange-traded instruments, which are standardised as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC derivatives are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC derivatives. A Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Fund. The regulatory and tax environment for derivatives is evolving, and changes in the regulation or taxation of derivatives may adversely affect the value of such instruments held by the Fund and the Fund's ability to pursue its trading strategies.

The Company employs a risk management process which enables it to accurately identify, measure, monitor and manage the various risks associated with its own use of derivatives. For further information, see "Risk Management" in Appendix 3.

Derivatives held in Funds will be accounted for and taxed in accordance with the Statement of Recommended Practice for Open-Ended Investment Companies. The way in which HMRC taxes derivatives held in collective investment schemes may change, which could adversely affect the tax paid by these Funds.

### **Plain Talk About Derivatives**

Derivatives can take many forms. Some forms of derivatives, such as exchange-traded futures and options on securities or indexes, have been trading on regulated exchanges for decades. These types of derivatives are standardised contracts that can easily be bought and sold, and whose market values are determined and published daily. Non-standardised derivatives (such as swap agreements), on the other hand, tend to be more specialised or complex, and may be harder to value, and the impact to a Fund may be greater where complex derivatives are used.

### **Futures contracts risk**

Positions in futures contracts may be closed out only on an exchange that provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price movements, a Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if the Fund has insufficient cash, it may have to sell portfolio securities to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Fund may be required to make delivery of the instruments underlying the futures contracts it holds. The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge the Fund.

A Fund may minimise the risk that it will be unable to close out a futures contract by entering into contracts that are traded on eligible futures exchanges and for which there appears to be a liquid secondary market.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (or gain) to the investor. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract itself. The relevant Fund also bears the risk that the Investment Adviser will incorrectly predict future stock market trends. However, because the futures strategies of each Fund are currently engaged in only for efficient portfolio management purposes, the Company does not believe that the Funds are subject to the risks of loss frequently associated with futures transactions, except to the extent that a Fund may invest in collective investment schemes that enter into futures contracts for investment purposes. A Fund would generally have sustained comparable losses if, instead of the futures contract, it had invested in the underlying financial instrument and sold it after the decline.

Utilisation of futures transactions by a Fund involves the risk of imperfect or no correlation where the securities underlying the futures contracts have different maturities than the securities being hedged. It is also possible that a Fund could both lose money on futures contracts and experience a decline in the value of its securities. There is also a risk of loss by a Fund of margin deposits in the event of the bankruptcy of a broker with whom the Fund has an open position in a futures contract or related option.

### **Investment techniques risk**

There are certain investment risks that apply in relation to techniques and instruments that the Investment Adviser may employ for efficient portfolio management purposes, as described in Appendix 4. To the extent that the Investment Adviser's expectations in employing such techniques and instruments are incorrect, a Fund may suffer a substantial loss with an adverse effect on the Net Asset Value per Share.

A Fund's ability to use such techniques and instruments may be limited by market conditions, regulatory limits, and tax considerations. Use of these techniques involves certain special risks (in addition to those described elsewhere in this "Risk Factors" section), including:

- (i) dependence on the Investment Adviser's ability to predict movements in the price of securities being hedged and movements in interest rates;
- (ii) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the relevant Fund;
- (iii) the absence of a liquid market or of accurate pricing information for any particular instrument at any particular time;
- (iv) the fact that, while a Fund may not be leveraged or geared in any way through the use of derivatives, the degree of leverage inherent in futures trading (that is, the low margin deposits normally required in futures trading) means that a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund; and
- (v) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations.

### Repurchase and reverse repurchase agreements risk

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If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, the transaction may be subject to regulatory stays and moratoriums, which may result in a delay in a Fund's ability to liquidate the collateral notwithstanding the title transfer provided under the terms of the agreement. The relevant Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

Likewise with reverse repurchase agreements, there are risks of counterparty insolvency and decline in the market value of the securities at which the Fund is obliged to repurchase such securities under the agreement.

### Charges to capital

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Where this Prospectus states that all or part of the ACD's fee and/or other charges in respect of a Fund and/or Class of Shares may be charged against capital rather than income, may will enhance income returns but may constrain future capital growth and/or result in an erosion of capital. Further information regarding charging to capital and income is set out in the "Allocation of expenses between capital and income" section of this Prospectus. Details of whether charges are made to capital or income for each Fund and/or Class of Shares are set out in Appendix 1 of this Prospectus.

### Suspension of dealings in Shares

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Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

### Dilution adjustment risk

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As described in the section "Dilution Adjustment", the ACD may, where it so determines, "swing" the NAV of a Fund to attempt to mitigate the potentially dilutive effects of dealing on the NAV on any Dealing Day on which there are net subscriptions or redemptions in the relevant Fund that exceed a pre-determined level. In such cases, investors should be aware that the application of a dilution adjustment may not always prevent the dilution of the NAV through transaction and other dealing costs and the adjustments made to the NAV may also benefit certain investors relative to the Shareholders in the Fund as a whole. In the event that the ACD determines not to make a dilution adjustment, this may have the effect of constraining capital growth.

## Liabilities of the Company

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Each Fund is treated as a separate entity, with its own segregated portfolio of assets and liabilities. Accordingly, the assets of a Fund belong exclusively to that Fund and shall not be made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

While the OEIC Regulations and the Instrument of Incorporation provide for segregated liability between the Funds, the concept of segregated liability is relatively new and may not be recognised and upheld by a court in certain contexts. Where claims are brought by local creditors in foreign courts or under foreign law contracts, and the liability relates to one Fund which is unable to discharge its liability, it is not clear whether a foreign court would give effect to the segregation of liability contained in the Instrument of Incorporation. Accordingly, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund in every circumstance.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the purchase price of the Shares.

## Restriction on Fund's activities due to embargo, etc.

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From time to time, a Fund's activities, or the activities of collective investment schemes in which it invests, may be restricted due to governmental and/or regulatory restrictions applicable to the relevant ACD or its delegates or another entity within the relevant respective groups of companies, and/or their internal policies designed to comply with such restrictions. As a result, there may be periods, for example, during which the ACD or a Fund or a collective investment scheme in which a Fund invests may be restricted from engaging in certain transactions.

## European Economic Risks

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Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non-sovereign funding and debt. European, IMF and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of Member States and European based financial institutions.

These developments have had a negative effect in political terms and also in economic terms. Financial markets, investor sentiment and credit ratings of institutions and Member States have already been adversely affected and may continue to do so. In addition, investment activity has been affected, as has the willingness of financial institutions to extend credit and to obtain funding.

Member States within the Eurozone, and certain other Member States, are in ongoing discussions with a view to agreeing stricter financial disciplines. However, it remains unclear whether agreement on these matters will be reached, and even if reached, whether adequate measures will be adopted in the short to medium term.

There are increasing concerns that one or more Member States within the Eurozone may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short- and medium-term budget deficits to expand in these economies, further increasing the risk of default. A sovereign default is likely to have adverse consequences for the economy of the Member State and that of Europe and the wider world economy. The effect on creditors of a sovereign default is likely to be adverse.

The possibility of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is difficult to predict the precise nature of the consequences of a Member State leaving the Euro as there has been no well-defined legal framework put in place in preparation for such an event. However, it is likely that any Euro-denominated assets or obligations that any Fund acquired, or to which any Fund was indirectly exposed through investment in collective investment schemes with such holdings, that are converted into a new

national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments, trade balances and imbalances and social, economic or political instability.

Predicting the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of a Fund's Euro-denominated investments becoming difficult to value, which could potentially result in negative consequences for the Fund including suspension of NAV valuations and consequently of redemptions. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of a Fund's investments. They may also affect the ability of a Fund to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting a Fund's portfolio. Fluctuations in the exchange rate between Sterling and the Euro or other European currencies could have a negative effect upon the performance of investments.

### Ownership limit risk

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The ability to purchase or dispose of investments in regulated industries, the derivatives markets, certain international markets, and certain issuers that limit ownership by a single shareholder or group of related shareholders, or to exercise rights on behalf of a Fund, may be restricted or impaired because of limitations on the aggregate level of investment unless regulatory or corporate consents are obtained. As a result, the ACD or the Investment Adviser may be required to limit purchases, sell existing investments, or otherwise restrict or limit the exercise of shareholder rights on behalf of a Fund, including voting rights. If a Fund is required to limit its investment in a particular issue, the Fund may seek to obtain economic exposure to that issuer through alternative means, such as through a derivative, which may be more costly than owning securities of the issuer directly.

# Charges and Expenses

## ACD's charges and expenses

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### **Preliminary Charge**

The ACD currently makes no preliminary charge on a Shareholder's purchase of Shares.

The ACD reserves the right to make a preliminary charge, which would be added to the purchase price of the Shares. Before making any such charge the ACD will provide prior notice to Shareholders in accordance with the COLL Sourcebook (currently 60 days).

### **Redemption Charge**

The ACD currently makes no redemption charge on a Shareholder's redemption of Shares.

The ACD reserves the right to make a redemption charge, which would be deducted from the redemption price of the Shares. Before making any such charge the ACD will provide prior notice to Shareholders in accordance with the COLL Sourcebook (currently 60 days).

### **Conversion and Switching Charges**

The ACD does not currently charge Shareholders for the switch or conversion of Shares.

The ACD reserves the right to make a conversion or switching charge. Before making any such charge the ACD will provide prior notice to Shareholders in accordance with the COLL Sourcebook (currently 60 days) which includes details of how the charge will apply to the purchase and redemption sides of the conversion or switch transaction.

### **Management Charge**

The ACD is entitled to make a periodic management charge (plus value added tax, if any) calculated at an annual percentage rate based upon the value of the property of each Fund. The actual amount applicable to each Class is set out in Appendix 1.

The ACD reserves the right to increase or decrease the management charge. Before making any increase in such charge the ACD will provide prior notice to Shareholders in accordance with the COLL Sourcebook (currently 60 days).

The periodic management charge shall accrue daily and will be determined by reference to the value of each Fund on each Business Day and shall be deducted and paid at the end of each month.

As mentioned below, the ACD pays the fees of the Investment Adviser from its management charge. Out of such fees the Investment Adviser pays the fees of any sub-investment advisers appointed by it and any costs associated with the provision of Research.

### **Ongoing Charges Figure**

The Ongoing Charges Figure ("OCF") for each Class of a Fund is based on actual expenses for a given period. It covers all aspects of operating the Class during the period, including fees paid for investment management, administration, audit, depositary, legal, registration and regulatory fees. The ACD will usually pay those fees out of its periodic management charge, which means that the OCF will normally equal the rate of management charge. There may, however, be certain unusual or extraordinary expenses which cause the OCF to exceed the annual rate of the management charge.

The OCF does not include portfolio transaction costs or the fees of investors' financial advisers.

As each Fund invests at least 10% of its NAV in other collective investment schemes, the COLL Sourcebook would require each Fund to calculate an additional "synthetic" OCF to reflect the charges and expenses of the Associated Schemes. However, the ACD anticipates that the synthetic OCF of each Fund will track closely the annual rate of its management charge because

each of these Associated Schemes is managed or operated by the ACD or an associate of the ACD.

## Other expenses

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In addition to the ACD's management charge and any applicable value added tax thereon, the Company or each Fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- (i) costs incurred by a Fund in connection with transactions on its portfolio, including brokerage fees (excluding costs for research), taxes and linked charges and the market impact of the transaction taking into account the remuneration of the broker and the liquidity of the concerned assets;
- (ii) interest on borrowing; and
- (iii) payments incurred because of financial instruments.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

## Rebates

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The ACD may rebate all or part of its remuneration to any party that invests in or provides services to the Company or in respect of any Fund.

## Initial expenses and promotion costs

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The costs and expenses relating to the authorisation of the Company, the offer of Shares, the preparation, production and printing of the Instrument of Incorporation, this Prospectus and the NURS-Key Investor Information documents, and the fees of the professional advisers to the Company in connection with the offer will be borne by the ACD.

## Allocation of charges and expenses between Funds

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All charges and expenses payable by the Company will be charged to the Fund in respect of which they were incurred (and, within the Funds, charges and expenses will be allocated between Classes in accordance with the terms of issue of Shares of those Classes). Any charges and expenses not attributable to any one Fund will normally be allocated by the ACD to all Funds pro rata to the values of the Funds, although the ACD has discretion to allocate such charges and expenses in a different manner which it considers fair to Shareholders generally.

## Allocation of expenses between capital and income

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The ACD shall, in its discretion, determine whether charges and expenses payable by the Company are allocated to the capital property and/or income property in accordance with the Regulations. In determining whether a payment is to be made from the income property or capital property, the ACD will pay due regard to whether the nature of the cost is income related or capital related and shall also consider the objective of the scheme. Where the investment objective of a Fund is to seek to increase the amount of distributable income as a higher priority than obtaining capital growth, or to seek to increase the amount of distributable income and obtain capital growth in equal priority, all or part of a charge and/or expense may be allocated to the capital property of the Fund instead of the income property of the relevant Fund. The treatment of such payments and/or expenses is subject to the agreement of the Depositary in accordance with the Regulations.

In addition, where a Fund has at least one Class of Shares that distributes income and one Class of Shares that accumulates income, the ACD may, in its discretion, determine that a payment be made from:

- (a) the capital property of the Fund for the Class(es) of Shares that distribute income; and

(b) the income property of the Fund for Class(es) of Shares that accumulate income.

Details of whether charges are to be made to the capital property or income property for each Fund (or Share Class) are set out in **Appendix 1** of this Prospectus.

If deductions are made from the capital property of a Fund, this will result in capital erosion and will constrain growth (please refer to the “Charges to capital” risk factor of this Prospectus for further information).

**Plain Talk About Costs of Investing**

Costs are an important consideration in choosing a fund. That’s because you, as a Shareholder, pay the costs of operating a fund, plus any transaction costs incurred when the fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation the fund achieves. Even seemingly small differences in expenses can, over time, have a dramatic effect on the Fund’s performance.

# Income

## Accounting periods

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The annual accounting period of the Company ends each year on 31 March (the accounting reference date). The interim accounting period ends each year on 30 September. Certain Funds may have additional interim accounting periods within each annual accounting period (see **Appendix 1**).

## Income allocations

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Allocations of income are made in respect of the income available for allocation in each accounting period in accordance with **Appendix 1**.

For all Income Shares, distributions of income for each Fund are paid on or before the annual income allocation date of 31 May. In addition, interim distributions may be paid on or before interim income allocation dates if stated in **Appendix 1**. The amount available for allocation in an accounting period is calculated by:

- (i) taking the aggregate of the income received or receivable for the account of the relevant Fund for the accounting period;
- (ii) deducting the charges and expenses of the Fund paid or payable out of income where appropriate for that accounting period; and
- (iii) making such adjustments as the ACD considers appropriate (and after consulting the auditors as appropriate) in relation to tax and certain other issues.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and become part of the capital property of the Company.

The ACD and the Depositary may agree a de minimis amount in respect of which a distribution of income is not required, and how any such amounts are to be treated. Notice of such a decision will be dealt with in accordance with the COLL Sourcebook.

Distributable income payable on Income Shares may be paid by cheque, at the Shareholder's risk, or by electronic bank transfer (including BACS) if the Shareholder has supplied to the ACD appropriate bank details.

For all Accumulation Shares, no distributions will be paid to the Shareholder and instead income allocations are reflected in the value of the Scheme Property.

## Income equalisation

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The Company intends to operate income equalisation arrangements in respect of the pro rata entitlement to share in any accrued income of a Fund existing at the time a Share is purchased by a Shareholder and which is therefore reflected in the purchase price of the Share. If a Shareholder acquires Shares at a date when the Fund has accrued income which has not yet been allocated, the ACD may credit to the Shareholder's equalisation account part of the subscription price representing the accrued income which would be attributable to those Shares on the date of purchase. When income is next allocated, a holder of Income Shares to which income equalisation applies will receive the same amount of cash as the existing Shareholders, but the amount in respect of income accrued before he acquired his Shares will be paid not as income but out of the equalisation account, as capital, comprising the repayment of part of the subscription price. For a holder of Accumulation Shares to which income equalisation applies, no cash payment will be made to that Shareholder from his equalisation account, but an amount equal to that Shareholder's equalisation account may be added to his acquisition cost when calculating the capital gain realised on a disposal of those Shares.

# U.K. Taxation

## General

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The taxation of income and capital gains of both the Funds and Shareholders is subject to the fiscal law and practice of the U.K. and of the jurisdictions in which Shareholders are resident or otherwise subject to tax. The information below is a general guide based on current U.K. law and HMRC practice, all of which are subject to change. It summarises the tax position of the Company and of investors who are U.K. tax residents and hold Shares as investments.

Prospective investors should consult their own professional advisers on the tax implications of making an investment in, holding or disposing of Shares and the receipt of distributions and deemed distributions with respect to such Shares under the laws of the countries in which they may be liable to taxation.

This summary is based on the taxation law and practice in force at the date of this document, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation might change. The following tax summary is not a guarantee to any investor of the tax results of investing in the Funds.

## The Company

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Each Fund will be treated as a separate entity for U.K. tax purposes.

The Funds are generally exempt from U.K. tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives) held within them.

Provided it falls within certain wide ranging exemptions or is the franked portion of dividend distributions from UK authorised unit trusts and UK open-ended investment companies, dividend income received by a Fund from U.K. or non-U.K. companies is exempt from corporation tax.

The Funds may each be subject to corporation tax at the basic rate at which income tax is charged which is currently 20% (2025/26) on some other types of income but after deducting allowable management expenses and (where relevant) any interest distributions. In addition, where a Fund suffers foreign tax on income received, some or all of this may normally be deducted from the U.K. tax due on that income.

A Fund will make dividend distributions except where over 60% of its property has been invested throughout the distribution period in, broadly, interest-paying investments, in which case it will usually make interest distributions.

Part 2B of the Authorised Investment Funds (Tax) Regulations 2006 provides certainty that specified transactions carried out by an authorised fund, such as the Company, will not be treated as trading transactions for funds that meet a genuine diversity of ownership condition. For these purposes, the ACD confirms that all Classes of the Company are primarily intended for and marketed to the category of retail and institutional investors. The ACD undertakes that Shares in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

## Shareholders

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### Income

Where a Fund makes dividend distributions (which will be automatically retained in the Fund in the case of Accumulation Shares), U.K. tax resident individual taxpayers should be eligible for a tax-free allowance on dividends currently £500 (as of tax year 2025/26). U.K. tax resident Shareholders holding Accumulation Shares will be liable to tax on their income as if they had actually received a distribution.

Where a Fund makes interest distributions, these will be made on a gross basis, without any deduction for income tax. Shareholders will be obliged to include the full amount of the distribution on their tax returns and pay tax accordingly. UK individual tax payers may be eligible for a tax free allowance of £1,000 (basic rate tax payers) or £500 (higher rate tax payers) (current as of 2025/26). Additional rate tax payers will not be entitled to any tax free allowance on interest income.

HMRC has powers to gather specific information from third parties about a group of taxpayers. HMRC may issue a written notice requiring a data-holder to provide relevant data. The Company is a relevant data-holder and may be required to provide information and documents relating to accounts or sums on which interest paid or credited on money received or retained in the UK is payable.

### **Income Equalisation**

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes. Equalisation will be applied to all of the Funds.

### **Gains**

Shareholders may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Shareholder, corporation tax on gains arising from the redemption, transfer, switches, or other disposal of Shares (but in general not on conversions or switches between Classes within a Fund). A corporate investor that is, at any time in an accounting period, a Shareholder in a Fund which is, at any time during that period, over 60% invested in, broadly, interest-paying investments must treat the Shares as a creditor relationship of the investor for U.K. corporation tax purposes and all returns on the Shares will be taxed or relieved as an income receipt or expense on a "fair value" basis. Accordingly, a corporate investor in such a Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (or, likewise, obtain relief against corporation tax on an unrealised reduction in the value of its holding of Shares).

Part of any increase in value of Accumulation Shares represents the accumulation of income (including income equalisation). These amounts may be treated as allowable costs when calculating the capital gain realised on their disposal.

### **Foreign Account Tax Compliance Act (FATCA)**

The International Tax Compliance Regulations 2015 (and amendments thereunder) give effect to an Intergovernmental agreement ("IGA") between the United States and the United Kingdom in relation to the U.S. Foreign Account Tax Compliance Act ("FATCA"). FATCA is designed to assist the U.S. Internal Revenue Service combat U.S. tax evasion by requiring financial institutions to report certain U.S. investors or U.S. holdings.

The Company intends to carry on its business in such a way to ensure that it is FATCA compliant. Failure of the Company to be FATCA compliant would result in a 30% withholding tax on certain payments of U.S. source income made to the Company which could reduce the amounts available to make payments to investors. The Company or its authorised agents or distributors reserve the right to request such information or documents as is necessary to verify the identity and FATCA status of an applicant for Shares. This can include, but is not limited to, date of birth, countries of citizenship, countries of tax residency and associated taxpayer identification numbers. Failure to provide information as required may result in the rejection of the relevant application. The Company shall have the right to require all investors to be compliant with FATCA. Certain investors, such as non-participating foreign financial institutions ("FFIs") or recalcitrant account holders (as defined by FATCA), may be reported to the local tax authority and redeemed at the sole discretion of the ACD. The Company may disclose the information or documentation that it receives from or regarding investors to HMRC, the US Internal Revenue

Service, other taxing authorities, or other parties as necessary to comply with FATCA, related intergovernmental agreements or other applicable law or regulation.

The ACD does not support U.S. tax evasion or any request to help investors avoid detection under FATCA. The ACD is not able to provide tax advice and cannot determine the impact or compliance obligations of FATCA or an applicable IGA for investors' business activities. The ACD strongly encourages investors to seek the advice of an experienced tax advisor to determine what actions investors may need to take.

### **OECD Common Reporting Standard (CRS)**

In addition to the IGA signed with the U.S. relating to FATCA, the U.K. has signed the Multilateral Competent Authority Agreement to implement the Common Reporting Standard ("**CRS**") regime. The CRS regime has been implemented in the UK by the International Tax Compliance Regulations 2015 (as amended).

The CRS regime, which was proposed by the Organisation for Economic Cooperation and Development ("**OECD**"), generalises the automatic exchange of information between participating countries from 1 January 2016. Under the adopted provisions, the ACD may be required to report certain information relating to Shareholders (including name, address, tax residency, tax identification number (TIN), date and place of birth (as appropriate)), and details of income and redemption proceeds received by Shareholders in respect of their Shares. This information may be shared with tax authorities in jurisdictions which implement the OECD's CRS.

Investors should consult their own tax advisers regarding any potential obligations that the CRS may impose on them.

# Appendix 1: The Funds

## Vanguard LifeStrategy 20% Equity Fund

### Investment objective and policy

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#### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-defined asset allocation over the medium term (3 years or more).

#### Investment policy

The Fund is actively managed and seeks to achieve its investment objective by investing at least 90% of its assets by value in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

The pre-defined asset allocation for the Fund means that it is intended that the Fund will invest:

- (1) approximately 20% of its assets by value in Associated Schemes which provide exposure to shares of companies worldwide. Approximately 25% of such shares (by value) will be in UK listed companies; and
- (2) approximately 80% of its assets by value in Associated Schemes which provide exposure to government and corporate bonds and other similar fixed income investments worldwide. Approximately 35% of such investments (by value) will be in Sterling-denominated investments (including UK government bonds (gilts), government related bonds, index-linked gilts and investment-grade bonds), which may include Sterling-denominated bonds issued by companies outside the UK.

This Fund is part of a range of funds. Within this range, a fund which invests more in Associated Schemes that provide exposure to shares of companies will typically be riskier than a fund which invests more in Associated Schemes that provide exposure to government and corporate bonds and other similar fixed income investments.

In addition to the pre-defined asset allocation, the Investment Adviser will aim to maintain a strategic asset allocation that is designed using research conducted by Vanguard. A disciplined investment process is used to design, construct and manage the Fund. The strategic asset allocation is subject to change based on the market size or market values of the indices tracked by the Associated Schemes in which the Fund invests. The Investment Adviser will rebalance the strategy regularly back to these strategic asset allocations and has discretion over when to do so. The Fund does not aim to outperform this strategic asset allocation.

Whilst the Fund will broadly seek to maintain the relative sizes of its bond and shares exposures at the stated levels, the identity and proportion of the particular Associated Schemes, securities and/or markets to which the Fund is exposed will be at the discretion of the Investment Adviser, taking into account aspects of the Associated Schemes considered to be relevant to maintain exposure to a diversified portfolio.

The Fund may also invest up to 10% of its assets directly in transferable securities (such as shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes), money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment**

**Techniques**” in **Appendix 4** for associated risks related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed **“Investment Powers and Restrictions”**.

#### Temporary Investment Measures

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

#### Investment Adviser

The ACD has appointed Vanguard Asset Management Limited as Investment Adviser for the Fund.

#### Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund’s strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 0-35% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

#### Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a <b>“Fund Holiday”</b> ).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP Gross</b>
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge	0.22%
Charged to	Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May*
Grouping Periods for Income Equalisation	Annual

**Maximum level of leverage**

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Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value

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<b>FCA Product Reference Number</b>	<b>646320</b>
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# Vanguard LifeStrategy 40% Equity Fund

## Investment objective and policy

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### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-defined asset allocation over the medium term (3 years or more).

### Investment policy

The Fund is actively managed and seeks to achieve its investment objective by investing at least 90% of its assets by value in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

The pre-defined asset allocation for the Fund means that it is intended that the Fund will invest:

- (1) approximately 40% of its assets by value in Associated Schemes which provide exposure to shares of companies worldwide. Approximately 25% of such investments (by value) will be in UK listed companies; and
- (2) approximately 60% of its assets by value in Associated Schemes which provide exposure to government and corporate bonds and other similar fixed income investments worldwide. Approximately 35% of such investments (by value) will be in Sterling-denominated investments (including (UK government bonds (gilts), government related bonds, index-linked gilts and investment-grade bonds), which may include Sterling-denominated bonds issued by companies outside the UK.

This Fund is part of a range of funds. Within this range, a fund which invests more in Associated Schemes that provide exposure to shares of companies will typically be riskier than a fund which invests more in Associated Schemes that provide exposure to government and corporate bonds and other similar fixed income investments.

In addition to the pre-defined asset allocation, the Investment Adviser will aim to maintain a strategic asset allocation that is designed using research conducted by Vanguard. A disciplined investment process is used to design, construct and manage the Fund. The strategic asset allocation is subject to change based on the market size or market values of the indices tracked by the Associated Schemes in which the Fund invests. The Investment Adviser will rebalance the strategy regularly back to these strategic asset allocations and has discretion over when to do so. The Fund does not aim to outperform this strategic asset allocation.

Whilst the Fund will broadly seek to maintain the relative sizes of its bond and shares exposures at the stated levels, the identity and proportion of the particular Associated Schemes, securities and/or markets to which the Fund is exposed will be at the discretion of the Investment Adviser, taking into account aspects of the Associated Schemes considered to be relevant to maintain exposure to a diversified portfolio.

The Fund may also invest up to 10% of its assets directly in transferable securities (such as shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes), money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risks related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3**

headed “**Investment Powers and Restrictions**”.

### Temporary Investment Measures

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

### Investment Adviser

The ACD has appointed Vanguard Asset Management Limited as Investment Adviser for the Fund.

### Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund’s strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 20-60% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

### Fund details

**Dealing Day** Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “**Fund Holiday**”).

A calendar of the Fund Holidays for the Fund is available on <https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf>

<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge	0.22%
Charged to	Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund’s Net Asset Value
Under the Commitment method:	200% of the Fund’s Net Asset Value

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**FCA Product Reference Number    646321**

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# Vanguard LifeStrategy 60% Equity Fund

## Investment objective and policy

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### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-defined asset allocation over the long term (5 years or more).

### Investment policy

The Fund is actively managed and seeks to achieve its investment objective by investing at least 90% of its assets by value in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

The pre-defined asset allocation for the Fund means that it is intended that the Fund will invest:

- (1) approximately 60% of its assets by value in Associated Schemes which provide exposure to shares of companies worldwide. Approximately 25% of such investments (by value) will be in UK listed companies; and
- (2) approximately 40% of its assets by value in Associated Schemes which provide exposure to government and corporate bonds and other similar fixed income investments worldwide. Approximately 35% of such investments (by value) will be in Sterling-denominated investments (including (UK government bonds (gilts), government related bonds, index-linked gilts and investment-grade bonds), which may include Sterling-denominated bonds issued by companies outside the UK.

This Fund is part of a range of funds. Within this range, a fund which invests more in Associated Schemes that provide exposure to shares of companies will typically be riskier than a fund which invests more in Associated Schemes that provide exposure to government and corporate bonds and other similar fixed income investments.

In addition to the pre-defined asset allocation, the Investment Adviser will aim to maintain a strategic asset allocation that is designed using research conducted by Vanguard. A disciplined investment process is used to design, construct and manage the Fund. The strategic asset allocation is subject to change based on the market size or market values of the indices tracked by the Associated Schemes in which the Fund invests. The Investment Adviser will rebalance the strategy regularly back to these strategic asset allocations and has discretion over when to do so. The Fund does not aim to outperform this strategic asset allocation.

Whilst the Fund will broadly seek to maintain the relative sizes of its bond and shares exposures at the stated levels, the identity and proportion of the particular Associated Schemes, securities and/or markets to which the Fund is exposed will be at the discretion of the Investment Adviser, taking into account aspects of the Associated Schemes considered to be relevant to maintain exposure to a diversified portfolio.

The Fund may also invest up to 10% of its assets directly in transferable securities (such as shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes), money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment**

**Techniques**” in **Appendix 4** for associated risks related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed **“Investment Powers and Restrictions”**.

#### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

#### **Investment Adviser**

The ACD has appointed Vanguard Asset Management Limited as Investment Adviser for the Fund.

#### **Performance**

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund’s strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

#### **Fund details**

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a <b>“Fund Holiday”</b> ).
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A calendar of the Fund Holidays for the Fund is available on <https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf>

<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge	0.22%
Charged to	Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May

Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>646322</b>

# Vanguard LifeStrategy 80% Equity Fund

## Investment objective and policy

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### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-defined asset allocation over the long term (5 years or more).

### Investment policy

The Fund is actively managed and seeks to achieve its investment objective by investing at least 90% of its assets by value in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

The pre-defined asset allocation for the Fund means that it is intended that the Fund will invest:

- (1) approximately 80% of its assets by value in Associated Schemes which provide exposure to shares of companies worldwide. Approximately 25% of such investments (by value) will be in UK listed companies; and
- (2) approximately 20% of its assets by value in Associated Schemes which provide exposure to government and corporate bonds and other similar fixed income investments worldwide. Approximately 35% of such investments (by value) will be in Sterling-denominated investments (including (UK government bonds (gilts), government related bonds, index-linked gilts and investment-grade bonds), which may include Sterling-denominated bonds issued by companies outside the UK.

This Fund is part of a range of funds. Within this range, a fund which invests more in Associated Schemes that provide exposure to shares of companies will typically be riskier than a fund which invests more in Associated Schemes that provide exposure to government and corporate bonds and other similar fixed income investments.

In addition to the pre-defined asset allocation, the Investment Adviser will aim to maintain a strategic asset allocation that is designed using research conducted by Vanguard. A disciplined investment process is used to design, construct and manage the Fund. The strategic asset allocation is subject to change based on the market size or market values of the indices tracked by the Associated Schemes in which the Fund invests. The Investment Adviser will rebalance the strategy regularly back to these strategic asset allocations and has discretion over when to do so. The Fund does not aim to outperform this strategic asset allocation.

Whilst the Fund will broadly seek to maintain the relative sizes of its bond and shares exposures at the stated levels, the identity and proportion of the particular Associated Schemes, securities and/or markets to which the Fund is exposed will be at the discretion of the Investment Adviser, taking into account aspects of the Associated Schemes considered to be relevant to maintain exposure to a diversified portfolio.

The Fund may also invest up to 10% of its assets directly in transferable securities (such as shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes), money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment**

**Techniques**” in **Appendix 4** for associated risks related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed **“Investment Powers and Restrictions”**.

#### Temporary Investment Measures

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

#### Investment Adviser

The ACD has appointed Vanguard Asset Management Limited as Investment Adviser for the Fund.

#### Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund’s strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

#### Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a <b>“Fund Holiday”</b> ).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May

Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>646323</b>

# Vanguard LifeStrategy 100% Equity Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) within a pre-defined asset allocation over the long term (5 years or more).

### **Investment policy**

The Fund is actively managed and seeks to achieve its investment objective by investing at least 90% of its assets by value in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

The pre-defined asset allocation for the Fund means that it is intended that the Fund will invest approximately 100% of its assets by value in Associated Schemes which provide exposure to shares of companies worldwide. Approximately 25% of such exposure will be in UK listed companies.

This Fund is part of a range of funds. Within this range, a fund which invests more in Associated Schemes that provide exposure to shares of companies will typically be riskier than a fund which invests more in Associated Schemes that provide exposure to government and corporate bonds and other similar fixed income investments.

In addition to the pre-defined asset allocation, the Investment Adviser will aim to maintain a strategic asset allocation that is designed using research conducted by Vanguard. A disciplined investment process is used to design, construct and manage the Fund. The strategic asset allocation is subject to change based on the market size or market values of the indices tracked by the Associated Schemes in which the Fund invests. The Investment Adviser will rebalance the strategy regularly back to these strategic asset allocations and has discretion over when to do so. The Fund does not aim to outperform this strategic asset allocation.

The identity and proportion of the particular Associated Schemes, securities and/or markets to which the Fund is exposed will be at the discretion of the Investment Adviser, taking into account aspects of the Associated Schemes considered to be relevant to maintain exposure to a diversified portfolio.

The Fund may also invest up to 10% of its assets directly in transferable securities (such as shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes), money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risks related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Investment Adviser

The ACD has appointed Vanguard Asset Management Limited as Investment Adviser for the Fund.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within IA Global category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “Fund Holiday”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>646324</b>

# Vanguard Target Retirement 2015 Fund

## Investment objective and policy

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### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors who retired in or within approximately five years after 2015.

### Investment policy

The Fund seeks to achieve its investment objective by investing at least 80% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

The Fund's asset allocation has become more conservative over time. The Fund's strategic asset allocation gradually became more conservative by increasing the weighting of lower risk (such as bonds) investments versus higher risk investments (such as shares), with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. The Fund aims to have a stable investment allocation comprised of approximately 70% bonds and similar investments and 30% shares.

The Fund may also invest up to 20% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser's perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within IA Mixed Investments 20-60% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

**Dealing Day** Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “**Fund Holiday**”).

A calendar of the Fund Holidays for the Fund is available on <https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf>

<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730091</b>

# Vanguard Target Retirement 2020 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors who retired in or within approximately five years after 2020.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 80% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 60% by value of shares and 40% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2020, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 20% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

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The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 20-60% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

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<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a " <b>Fund Holiday</b> ").
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730092</b>

# Vanguard Target Retirement 2025 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2025.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 65% by value of shares and 35% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2025, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “ <b>Fund Holiday</b> ”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730093</b>

# Vanguard Target Retirement 2030 Fund

## Investment objective and policy

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### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2030.

### Investment policy

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 70% by value of shares and 30% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2030, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “Fund Holiday”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge	0.24%
Charged to	Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730094</b>

# Vanguard Target Retirement 2035 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2035.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 75% by value of shares and 25% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2035, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “Fund Holiday”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730095</b>

# Vanguard Target Retirement 2040 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2040.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 80% by value of shares and 20% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2040, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “Fund Holiday”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730096</b>

# Vanguard Target Retirement 2045 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2045.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 80% by value of shares and 20% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2045, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “ <b>Fund Holiday</b> ”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge	0.24%
Charged to	Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730097</b>

# Vanguard Target Retirement 2050 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2050.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 80% by value of shares and 20% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2050, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “ <b>Fund Holiday</b> ”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge	0.24%
Charged to	Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730098</b>

# Vanguard Target Retirement 2055 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2055.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 80% by value of shares and 20% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2055, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a “ <b>Fund Holiday</b> ”).
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>730099</b>

# Vanguard Target Retirement 2060 Fund

## Investment objective and policy

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### Investment objective

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2060.

### Investment policy

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 80% by value of shares and 20% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2060, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, /for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a "Fund Holiday").
	A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>796198</b>

# Vanguard Target Retirement 2065 Fund

## Investment objective and policy

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### **Investment objective**

The Fund seeks to provide a return on your investment (through an increase in the value of, and income received from, assets held by the Fund) over the long-term (5 years or more) for investors planning to retire in or within approximately five years after 2065.

### **Investment policy**

The Fund seeks to achieve its investment objective by investing at least 90% of its assets in a diversified portfolio of passive funds that seek to track the performance of an index, and which are managed or operated by the ACD or other companies in the Vanguard Group of Companies (“**Associated Schemes**”).

It is intended that the Fund will invest in Associated Schemes which (i) provide exposure to shares issued by companies worldwide; and (ii) provide exposure to government and corporate bonds and other similar fixed income investments issued worldwide. In the case of both shares and bonds, the UK will generally form one of the largest single country exposures.

The Fund is actively managed in that the Investment Adviser has discretion in respect of the Associated Schemes in which the Fund may invest and the allocations to them, each of which may change over time. The Investment Adviser manages the Fund through the pre-determined periodic rebalancing of its exposure to shares and bonds (and other similar fixed income investments), as detailed below.

Initially, the Fund’s portfolio will be comprised of approximately 80% by value of shares and 20% by value of bonds and other similar fixed income investments. The Fund’s strategic asset allocation will alter gradually as the target year is approached and passed, becoming more conservative by moving from higher risk (such as shares) to mainly lower risk (such as bonds) investments, with the aim of reducing its exposure to short term changes in the value of its investments and the risk of erosion in the value of the investments of the Fund. It is anticipated that, within seven years after 2065, the Fund will have a stable investment allocation comprised of approximately 70% bonds and other similar fixed income investments and 30% shares.

The Fund may also invest up to 10% of its assets directly in shares, bonds and other similar fixed income investments, which will generally be components of the indices tracked by the Associated Schemes, money market instruments and deposits.

The Fund may also use derivatives in order to reduce risk or cost and/or generate extra income or growth (often referred to as ‘efficient portfolio management’). See “**Portfolio Investment Techniques**” in **Appendix 4** for associated risk related to derivatives.

Further details of the investment powers and restrictions for the Fund are set out in **Appendix 3** headed “**Investment Powers and Restrictions**”.

### **Temporary Investment Measures**

The Fund may temporarily depart from this investment policy in response to the Investment Adviser’s perception of extraordinary market, political or similar conditions. During these periods and for as long as the Investment Adviser deems it necessary, the Fund may increase its holdings of cash and near cash. In doing so, the Fund may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

## Performance

The Fund does not have an index-based benchmark or outperformance target. This is because the asset allocation of the Fund will change over time in alignment with the Fund's strategic asset allocation. Investors may compare the performance of the Fund against other funds within the IA Mixed Investment 40-85% Shares category. The ACD considers that this sector best reflects the investment strategy of the Fund as a means to assess the performance of the Fund.

## Fund details

<b>Dealing Day</b>	Each Business Day will be a Dealing Day except, in the sole determination of the Investment Adviser, for any day on which one or more collective investment schemes in which the Fund invests are not open for dealing (each such Business Day, being a " <b>Fund Holiday</b> ").  A calendar of the Fund Holidays for the Fund is available on <a href="https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf">https://fund-docs.vanguard.com/Vanguard-LifeStrategy-Funds-ICVC.pdf</a>
<b>Valuation point</b>	9 p.m. (London time)
<b>Cut-off time</b>	10.00 a.m. (London time)
<b>Classes of Shares</b>	<b>A GBP</b>
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
<b>Charges</b>	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
<b>Accounting periods and income allocation dates</b>	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
<b>Maximum level of leverage</b>	
Under the Gross method:	200% of the Fund's Net Asset Value
Under the Commitment method:	200% of the Fund's Net Asset Value
<b>FCA Product Reference Number</b>	<b>796199</b>

## Glossary of Terms - 'Investment Objective' and 'Investment Policy'

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**Accumulation share/unit** – Funds are divided into portions called shares or units. In accumulation shares/units, the income earned by the fund is paid into the fund and reflected by an increase in the value of each share/unit.

**Active** – Where the fund manager uses their expertise to pick investments to achieve the fund's objectives.

**Advanced/developed markets** – Countries with relatively high levels of personal income and established economies.

**Annual management charge** – An ongoing fee paid to the management company for managing the fund, usually charged as a percentage of the investment.

**Asset allocation** – Dividing the money invested in the fund across different investments ('assets'), e.g. in different geographic areas or by industry sectors such as oil and gas or financial companies.

**Bond/Fixed Income** – A loan, usually to a company or government, that pays interest.

**Bottom-up** – An investment approach that focuses on analysing individual shares rather than stock markets.

**Capital markets** – Markets that raise money from those who want to invest and make those funds available to businesses or governments.

**Currency exposure** – The potential for a fund that invests overseas to lose or gain money purely because of changes in the currency exchange rate.

**Deposit** – A deposit is a fixed term investment that gathers interest over the period of its term. A deposit cannot be withdrawn until its term ends unless early termination is granted.

**Derivatives** – Investments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

**Dilution levy/adjustment** – An amount you pay to cover the dealing costs incurred by the Fund when it buys or sells investments as a result of you buying or selling shares/units in the Fund. It is normally only charged when those costs are significant.

**Diversification** – Holding a variety of investments that typically perform differently from one another.

**Efficient portfolio management** – Managing the fund in a way that is designed to reduce risk or cost and/or generate extra income or growth.

**Emerging markets** – Countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

**Entry/Initial charge** – An up-front fee paid to the management company when you buy shares/units.

**Equity** – See 'Share'.

**Excess Return** – The discrepancy between the Benchmark performance and the Fund performance. Excess return shows how a product's performance compares with that of its benchmark over a stated period of time.

**Float adjusted** - Float adjusted only counts shares that are available to purchase on the market rather than the total amount of shares issued when calculating a company's weight in a given index.

**Growth** – The increase in value of investments.

**Growth stocks** – A company whose earnings are expected to grow faster than the market (or peers if you prefer). Opposite to value stocks, they tend to be more expensive than the overall market i.e., you pay premium for growth.

**Hedging** – Using some investments as a way to reduce risk.

**Income** – Money paid out by an investment, such as interest from a bond or a dividend from a share.

**Income share/unit** – Funds are divided into portions called 'shares' or 'units.' In income shares/units, the income earned by the fund is paid out to investors.

**Inflation-linked Bond** – Inflation can have a dampening effect on the performance of an investment as it affects buying power for consumers in a negative way when it rises. Inflation linked considers this and helps to protect investors of inflation risk by linking the bond's principal to a nationally recognised inflation measure (Retail Price Index in the UK)

**Large/mid/small cap** – Essentially a tiering process based on market cap, the most common are:

**Large cap** – \$10-\$100 billion

**Mid cap** – \$2-\$10 billion

**Small cap** – \$250 million-\$2 billion

**Market capitalisation** – The value of a company's outstanding shares in the market and in a monetary value shows how big a company is. To calculate we multiply the number of outstanding shares by the company's individual share price.

**Money market instruments** – Investments usually issued by banks or governments that are a short-term loan to the issuer by the buyer. The buyer receives interest and the return of the original amount at the end of a certain period.

**Ongoing Charges Figure (OCF)** – A measure of what it costs to invest in a fund. It includes the fee paid to the management company and other operating costs.

**Passive** – The fund manager aims to track the performance of a stock exchange index or another investment.

**Platform** – An online service that allows you to buy and sell shares and funds and see your investments in one place.

**Relative return** – The profit or loss on an investment compared to how other investments have performed.

**Return** – The money made or lost on an investment.

**Share** – An equal portion representing part ownership of a company. Can also apply to a fund.

**Share class** – One of the types of share representing part ownership of the fund that is different to other share classes for some reason, such as it pays out income rather than paying it back into the fund.

**Stock lending** – Process whereby those holding investments (such as a fund) lend them to other parties who pay a fee for borrowing.

**Top-down** – An investment approach that looks at the big picture first, e.g., the economy, then at the detail, like how individual shares are performing.

**Tracking Error** – When using an index or benchmarking strategy, it looks at the volatility in the difference of performance between the fund and its index.

**Unit** – An equal portion representing part ownership of a unit trust fund.

**Value (stocks)** – Investments that are considered to have been undervalued by the market

**Volatility** – A measure of the size of short-term changes in the value of an investment.

**Warrants** – Provide the holder with the right, but not the obligation, to purchase a stock at a fixed price or amount at a fixed time in the future. A warrant is similar to an option but is issued by a company.

**Yield** – The income from an investment, usually stated as a percentage of the value of the investment.

## Appendix 2: Valuation

### Calculation of the net asset value

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The Company's Instrument of Incorporation provides that the value of the Scheme Property of the Company or Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All the Scheme Property (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
  - (a) units or shares in a collective investment scheme:
    - (i) if a single price for buying and selling units or shares is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which in the opinion of the ACD is fair and reasonable;
  - (b) exchange-traded derivative contracts:
    - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
  - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
  - (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which in the opinion of the ACD, is fair and reasonable; and
  - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
3. Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.
4. In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of

property which are in existence but uncompleted, shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.

6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
8. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and SDRT.
9. Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon, treating periodic items as accruing from day to day.
10. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
11. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
12. Add any other credits or amounts due to be paid into the Scheme Property.
13. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any SDRT provision anticipated to be received.
14. Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

## Appendix 3: Investment Powers and Restrictions

### Investment restrictions

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The investment objectives and policies of the Funds, as set out in Appendix 1, are subject to the limits on investment for NURS under Chapter 5 of the COLL Sourcebook, relevant parts of which are summarised below.

**1. Prudent Spread of Risk**

The ACD must ensure that, taking account of the investment objectives and policy of each Fund, the Scheme Property aims to provide a prudent spread of risk.

**2. Investment powers: General**

In line with the Company's Instrument of Incorporation, the Scheme Property of each Fund may only, except where otherwise provided in the COLL Sourcebook, consist of any one or more of:

- (a) Transferable securities (section 3 below)
- (b) Money market instruments (section 3 below)
- (c) Units in collective investments schemes (section 6 below)
- (d) Derivatives and forward transactions (section 10 below)
- (e) Deposits (section 7 below)

**3. Transferable Securities and Money Market Instruments**

Each Fund may invest, except where otherwise specifically stated, in transferable securities (as defined for the purposes of the COLL Sourcebook) and money market instruments that are:

- (a) admitted to or dealt in on an eligible market in accordance with COLL 5.2.10R; or
- (b) recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
- (c) approved money market instruments not admitted to or dealt in on an eligible market but which satisfy the requirements in COLL 5.2.10AR to COLL 5.2.10CR.

Each Fund may invest up to 20% of its net asset value in aggregate in (i) transferable securities not falling within (a) - (b) above and (ii) money market instruments which are not within (c) above and are liquid and have a value which can be determined accurately at any time.

Additional criteria will apply to investments in transferable securities in accordance with COLL 5.6.5AR.

Eligible markets for the Funds are explained and set out under Section 15 below headed "Eligible Markets for Funds".

Units in a closed end fund will be taken to be transferable securities for the purposes of investment by a Fund, provided the closed end fund fulfils the relevant criteria in Chapter 5 of the COLL Sourcebook.

**4. Government and Public Securities**

No more than 35% in value of a Fund may be invested in government and public securities issued by any one body.

**5. Nil and Partly Paid Securities**

A transferable security or an approved money market instrument (as defined in the COLL Sourcebook) on which any sum is unpaid may be invested in only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the other investment restrictions in this Appendix 3 and the COLL Sourcebook.

**6. Collective Investment Schemes**

**The investment policy of each Fund permits investment of the Fund's assets principally in units of other collective investment schemes.**

Each Fund may invest in units or shares of other collective investment schemes provided that each of the collective investment schemes into which the Fund invests (the "second scheme") meets each of the requirements at (a) to (e) below:

- (a) the second scheme is:
  - (i) a U.K. UCITS Scheme or EEA UCITS Scheme;
  - (ii) a NURS;
  - (iii) a recognised scheme for the purposes of Part XVII of FSMA;
  - (iv) constituted outside the U.K. and the investment and borrowing powers are the same or more restrictive than those of a NURS; or
  - (v) a scheme not falling within (i) to (iv) above provided that the second scheme complies with COLL 5.6.10-AR;
- (b) the second scheme operates on the principle of a prudent spread of risk;
- (c) the second scheme is prohibited from having more than 15% of its value in units of collective investment schemes (unless COLL 5.6.10AR applies in relation to feeder funds or COLL 5.6.10DR applies in relation to long-term asset funds);
- (d) the participants in the second scheme are entitled to have their units redeemed at a price:
  - (i) related to the net value of the property to which the units relate; and
  - (ii) determined in accordance with the scheme.

Each Fund can invest in schemes not falling within Section 6(a)(i)- (iv) above, provided that no more than 20% of the Scheme Property may, in total, be invested in (i) such schemes and (ii) transferable securities which are not approved securities.

Where the second scheme is a sub-fund of an umbrella, the preceding provisions and the spread limits in Section 11 below apply to each sub-fund of the umbrella as if it were a separate scheme.

The Funds will usually invest in second schemes that are domiciled in either the U.K. or the EEA (and this can include exchange traded funds meeting the applicable requirements).

**Each Fund intends to invest in units or shares of funds managed or operated by the ACD or an associate of the ACD ("associated collective investment schemes").**

Where such an investment (or disposal of an investment) is made and there are the following amounts or charges in relation to the investment, the ACD shall pay the amounts or charges to the Company within four business days (as defined in the FCA Handbook) following the date of the agreement to invest or dispose:

- (a) in relation to an investment:
  - (i) any amount by which the consideration paid by the Company for the units in the associated collective investment scheme exceeds the price that would have been paid for the benefit of the associated collective investment scheme had the units been newly issued or sold by it; or
  - (ii) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the associated collective investment scheme.
- (b) in relation to a disposal, any charge made for the account of the authorised fund manager or operator of the associated collective investment scheme or an associate of any of them in respect of the disposal.

For these purposes:

- (a) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the associated collective investment scheme which is applied for the benefit of the associated collective investment scheme and is, or is like, a dilution levy is to be treated as part of the price of the units and not as part of any charge; and
- (b) any charge made in respect of an exchange of units in one sub-fund or separate part of the associated collective investment scheme for units in another sub-fund or separate part of that associated collective investment scheme is to be included as part of the consideration paid for the units.

## **7. Deposits**

Without limitation, each Fund may invest in deposits, only with an Approved Bank (as defined in the FCA Handbook), which are repayable on demand or have the right to be withdrawn and maturing in no more than 12 months.

## **8. Ancillary Liquid Assets – Cash and Near Cash**

The Scheme Property may consist of cash and near cash where this may reasonably be regarded as necessary in order to enable the pursuit of each Fund's investment objective, redemption of shares, efficient portfolio management of the Fund in question in accordance with its investment objective or other purposes which may reasonably be regarded as ancillary to the investment objective of that Fund. During the period of the initial offer, the Scheme Property may consist of cash and near cash without limitation.

## **9. Risk Management**

The ACD applies a risk management process enabling it to monitor and measure as frequently as appropriate the risk associated with a Fund's derivatives and forwards positions and their contribution to the overall risk profile of the Scheme Property.

## **10. Derivative Instruments and Forward Transactions**

### **10.1 Use of Derivatives for Efficient Portfolio Management**

Derivatives may be used for efficient portfolio management purposes as described in **Appendix 4** ("Portfolio Investment Techniques"). The aim of any derivatives used for such

purposes is not to alter materially the risk profile of the Fund; rather, their use is to assist the ACD in meeting the investment objectives of each Fund as set out in Appendix 1.

#### 10.2 Use of Derivatives for Specific Investment

Where permitted pursuant to the investment objective and policy of a Fund, each Fund may use derivatives for specific investment purposes in accordance with the rules summarised in this Section 10. This may lead to a higher volatility in the Share price of those Funds.

**Currently, the investment policy of each Fund provides that it may use Derivatives for efficient portfolio management or hedging purposes, but not for purposes of investment.**

#### 10.3 Derivatives: general

- (a) A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction:
  - (i) is of a kind specified in COLL 5.6.13 R (Permitted transactions (derivatives and forwards)) as set out in Section 10.4 below; and
  - (ii) is covered, as required by COLL 5.3.3A R (Cover for investment in derivatives and forward transactions), as set out in Section 10.8 below.
- (b) Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in Section 11 (Spread Limits) below and Section 4 (Government and Public Securities) above, except in the case of index-based derivatives as provided for in (d) below.
- (c) Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limits in this section.
- (d) Where a scheme invests in an index-based derivative, provided the relevant index falls within COLL 5.6.23 R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of Section 11 (Spread Limits) below and Section 4 (Government and Public Securities) above.
- (e) The relaxation in (d) is subject to the ACD taking account of Section 1 (Prudent Spread of Risk).

#### 10.4 Permitted transactions (derivatives and forwards)

- (a) A transaction in a derivative must be:
  - (i) in an approved derivative (a derivative which is traded or dealt in on an eligible derivatives market); or
  - (ii) one which complies with Section 10.7 (OTC transactions in derivatives) below.
- (b) The underlying for any derivative must consist of one or more of the following:
  - (i) transferable securities;

- (ii) money-market instruments;
  - (iii) units in collective investment schemes permitted under Section 6 (Collective Investment Schemes) above;
  - (iv) derivatives and forward transactions permitted under this Section;
  - (v) deposits permitted under Section 7 (Deposits) above;
  - (vi) financial indices which satisfy the criteria set out in COLL 5.2.20A R;
  - (vii) interest rates;
  - (viii) foreign exchange rates; and
  - (ix) currencies.
- (c) A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- (d) A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published Prospectus.
- (e) A transaction in a derivative must not be effected if the intended effect is to create the potential for an uncovered sale of:
- (i) transferable securities;
  - (ii) money-market instruments;
  - (iii) units in collective investment schemes; or
  - (iv) derivatives.
- (f) Any forward transaction must be made with an Eligible Institution or an Approved Bank (as defined in the FCA Handbook).
- (g) The ACD must ensure compliance with COLL 5.3.3A R (Cover for investment in derivatives and forward transactions), COLL 5.3.3B R and COLL 5.3.3C R (Daily calculation of global exposure), as set out in Section 10.8 below.

#### 10.5 Transactions for the purchase of property

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if:

- (a) that property can be held for the account of the Fund; and
- (b) the ACD, having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

#### 10.6 Transactions for the disposal of property (requirement to cover sales)

- (a) No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

- (i) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights; and
  - (ii) the property and rights at (i) are owned by the Fund at the time of the agreement.
- (b) The requirements in section 10.6 (a) do not apply to a deposit.

#### 10.7 Over the Counter (OTC) Derivative Transactions

The Company may, subject to the FCA Handbook, enter into OTC derivative transactions. Any transaction in an OTC derivative must be:

- (a) with an approved counterparty; a counterparty is approved only if the counterparty is:
  - (i) an Eligible Institution or an Approved Bank (as defined in the FCA Handbook);
  - (ii) a person whose permission (including any requirements or limitations), as published in the FCA's Financial Services Register, permits it to enter into transactions as principal off exchange;
  - (iii) a CCP that is authorised in that capacity for the purposes of EMIR;
  - (iv) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - (v) to the extent not already covered above, a CCP supervised in a jurisdiction that:
    - I. has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and
    - II. is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;
- (b) on approved terms within the requirements of the COLL Sourcebook, in that the ACD:
  - (i) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more transactions to sell, liquidate or close out the transaction at any time, at its fair value;
- (c) capable of reliable valuation, in that the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (i) on the basis of an up-to-date market value which the ACD and the

Depository have agreed is reliable, or

- (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depository have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation in that, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (ii) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

For the purposes of (b) above, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

#### 10.8 Cover and Exposure

The ACD must ensure that the global exposure relating to all derivative and forward transactions held in a Fund does not exceed the net value of its Scheme Property. The ACD must calculate the Fund’s global exposure on at least a daily basis. For these purposes, exposure must be calculated taking into account the current value of the underlying assets, counterparty risk, future market movements and the time available to liquidate the derivatives positions.

Property the subject of a transaction under COLL 5.4 (Stock lending) should not be considered as available for cover unless the authorised fund manager has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The ACD must calculate exposure using the Gross Method and the Commitment Method. See Appendix 4 for further details.

The ACD must calculate each Fund’s global exposure using either the commitment approach or the value at risk approach. It is the current policy of the ACD to calculate each Fund’s global exposure using the commitment approach.

In using the commitment approach to calculate a Fund’s global exposure:

- (a) the ACD must:
  - (i) ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives), whether used as part of the Fund’s general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and
  - (ii) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (the standard commitment approach);
- (b) the ACD may:

- (i) apply other calculation methods which are equivalent to the standard commitment approach;
- (ii) take account of netting and hedging arrangements, where those arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure;

Where the use of derivative or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation; and

Where the commitment approach is used, borrowing arrangements entered into on behalf of the Fund in accordance with the COLL Sourcebook (as set out in Section 12 (Borrowing) below) need not form part of the global exposure calculation.

A Fund must not dispose of property or rights unless the obligation thus created could immediately be honoured by the Fund by delivery of property or the assignment of rights which belong to the Fund at the time of the agreement.

This requirement does not apply to a deposit. The FCA has stated that this requirement may be met where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying instrument is highly liquid; or
- (b) the ACD or the Depositary has the right to settle the derivative in cash and the Fund has property which is either cash or liquid debt instruments or other highly liquid assets having regard to their correlation with the underlying financial instrument of the derivative instruments, subject to appropriate safeguards.

The FCA has also stated that for these purposes the underlying asset of a derivative will be considered liquid if it can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the instrument on its own market.]

## 11. Spread Limits

The following spread limits apply to each Fund:

- (a) Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- (b) Not more than 10% in value of the Scheme Property is to consist of Transferable Securities (as defined in the COLL Sourcebook) or money market instruments issued by any single body.
- (c) The limit of 10% in (b) is raised to 25% in respect of covered bonds.
- (d) In applying (b) and (c), certificates representing certain securities (as defined in the FCA Handbook) are to be treated as equivalent to the underlying security.
- (e) The exposure to any one counterparty in an OTC derivatives transaction must not exceed 10% in value of the Scheme Property.
- (f) For the purpose of calculating the limit in (e), the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in (g).

- (g) The conditions referred to in (f) are that the collateral:
  - (i) is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  - (ii) is exposed only to negligible risks (e.g., government bonds of first credit rating or cash) and is liquid;
  - (iii) is held by a third-party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - (iv) can be fully enforced by the Fund at any time.
- (h) For the purpose of calculating the limit in (e), OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
  - (i) comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of the UK CRR; and
  - (ii) are based on legally binding agreements.
- (i) In applying the rule in (e), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
  - (i) it is backed by an appropriate performance guarantee; and
  - (ii) it is characterised by a daily mark-to-market valuation of the derivative positions and an at least daily margining.
- (j) Not more than 35% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- (k) For the purposes of Section 11 a single body is:
  - (i) in relation to transferable securities and money market instruments, the person by whom they are issued; and
  - (ii) in relation to deposits, the person with whom they are placed.

None of the preceding limits apply to government and public securities, as to which see Section 4 (Government and Public Securities) above.

## 12. Borrowing

The Company may, subject to the rules in the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank (as these terms are defined in the FCA Handbook) for the use of each Fund on terms that the borrowing is to be repayable out of the Scheme Property.

The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Scheme Property.

These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes, i.e., borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

Note: the Funds, and certain other funds managed within the Vanguard Group of Companies, participate in a US\$4.3 billion committed credit facility (“**Facility**”) provided by a syndicate of lenders pursuant to a credit agreement which may be renewed annually. Each Fund is individually liable only for its own borrowings, if any, under the Facility. Borrowings may be utilised for temporary or emergency purposes, and are subject to the regulatory restrictions described above. The Funds are charged administrative fees and their proportionate shares of an annual commitment fee of the undrawn amount of the Facility, which are borne by the ACD. Any borrowings made under the Facility would bear interest at a rate equal to the higher of the federal funds rate or SONIA reference rate plus an agreed spread, payable by the borrowing Fund. At the date of this Prospectus, none of the Funds has made any borrowings or incurred any interest charges under the Facility.

**13. Stock lending**

The Company, or the Depositary at the Company’s request, may enter into a repo agreement or a stock lending agreement of the kind described in Section 263B of the Taxation of Chargeable Gains Act 1992, as amended (without extension by Section 263C) and will be carried out in accordance with the Regulations and on the terms specified in the COLL Sourcebook.

There is no limit on the value of the Scheme Property which may be the subject of repo contracts or stock lending transactions.

**14. Interests in Immovable and Tangible Movable Property**

The Company will not have any direct interest in any immovable property (for example, its office), or tangible movable property (for example, its office equipment).

**15. Eligible Markets for Funds**

To protect investors, markets on which certain investments of a Fund are admitted to or dealt in must be of an adequate quality (“eligible”) at the time of acquisition of the investment and until it is sold. If a securities market ceases to be eligible, investments on that market cease to be approved securities and the 20% restriction on investing in non-approved securities will apply to them. If a derivatives market ceases to be eligible, investments on that market cease to be approved derivatives and the restrictions on OTC derivatives will apply to them.

For these purposes, an eligible market is:

- (a) a regulated market as defined in the FCA Handbook (which definition will include all regulated markets operated within the U.K. and the EEA);
- (b) any other exchange or market (including any board of trade or similar entity, or automated quotation system) which is regulated, operates regularly and is open in the U.K. or any EEA State; or
- (c) one of the additional securities or derivatives markets which the ACD, after consultation with the Depositary and disclosure in the prospectus, has decided is appropriate for the purpose of investment of or dealing in the Scheme Property.

## Appendix 4: Portfolio Investment Techniques

### General

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The Company may employ investment techniques and instruments relating to transferable securities and money market instruments (“Portfolio Investment Techniques”) for efficient portfolio management of the assets of any Fund. Portfolio Investment Techniques may include hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated under the COLL Sourcebook, as described below. In particular, the Company may enter into spot, derivatives and forward contracts, repurchase and reverse repurchase agreements and stock lending arrangements, and may purchase securities on a “when-issued” or “forward-commitment” basis.

Portfolio Investment Techniques which are used for the purpose of efficient portfolio management, including financial derivative instruments which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
  - (a) reduction of risk;
  - (b) reduction of cost;
  - (c) generation of additional capital or income for a Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules under the COLL Sourcebook;
- (iii) their risks are adequately captured by the risk management procedures implemented by the Company; and
- (iv) they cannot result in a change to a Fund’s declared investment objectives or add substantial supplementary risks to the Fund’s risk profile.

While the use Portfolio Investment Techniques will be in line with the best interests of the Company, individual techniques may result in increased counterparty risk and potential conflicts of interest. Details of the proposed Portfolio Investment Techniques and the policies adopted by the Company in relation to their use are set out below. Details of the relevant risks are set out in the Risk Factors section of this Prospectus.

The Company will ensure, at all times, that the terms of the Portfolio Investment Techniques, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.

The annual report of the Company will contain details of: (i) the exposure obtained through Portfolio Investment Techniques; (ii) the counterparties to the Portfolio Investment Techniques; (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure; and (iv) revenues arising from Portfolio Investment Techniques for the reporting period, together with direct and indirect operational costs and fees incurred.

All of the revenues arising from Portfolio Investment Techniques, net of direct and indirect operational costs, will be retained by the relevant Fund.

The Company may enter into Portfolio Investment Techniques with certain brokers, stock lending agents, derivative counterparties and financial institutions. There may be direct and indirect

operational costs or fees arising from such transactions, but these will at all times be paid at normal commercial rates, and there will be no hidden fees or revenue payable to any of these entities. The Company does not envisage any other direct or indirect operational costs or fees payable by the Company as a result of its Portfolio Investment Techniques, and, to the extent that there are any such additional direct or indirect operational costs or fees payable by the Company, this will be disclosed in the Company's annual report. The Company shall not enter into any Portfolio Investment Techniques with any entities within the Vanguard Group of Companies, and no entity within the Vanguard Group of Companies shall derive any direct or indirect fees from the Company's use of Portfolio Investment Techniques. As noted above, all other counterparties to Portfolio Investment Techniques shall be disclosed in the Company's annual report.

## Leverage methodologies

In managing the assets of a Fund, the ACD may use leverage from time to time, either in the form of borrowings as permitted (for example, for the purposes of funding acquisitions in anticipation of receiving subscriptions or to meet redemption requests as part of the liquidity management of the Fund) or through leverage obtained by nature of the derivative products in which the Fund invests. The maximum permitted amount of leverage based on these calculation methodologies is set out for each Fund in Appendix 1.

Under the gross method, the exposure of a Fund is the sum of the absolute value of all positions calculated in accordance with the following methodology:

- (i) exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality government bond;
- (ii) convert the derivative instruments into the equivalent position in their underlying assets;
- (iii) exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- (iv) include exposure resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- (v) include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

Under the commitment method, the exposure of a Fund is the sum of the absolute value of all positions calculated in accordance with the following methodology:

- (i) convert derivative instruments into an equivalent position in the underlying asset of that derivative (unless they are derivative instruments which have certain specific features as set out more specifically in the UK AIFM Rules);
- (ii) apply certain netting and hedging arrangements;
- (iii) include exposures resulting from the reinvestment of cash borrowing;
- (iv) include other arrangements such as convertible borrowings, repurchase agreements, reverse repurchase agreements, securities lending, and securities borrowing.

## Hedging currency risk

Except as may be permitted by the COLL Sourcebook and specified in this Prospectus, the Company may not leverage or gear a Fund through the use of derivatives; that is, the total

exposure of a Fund, including but not limited to its exposure from the use of any derivatives, shall not exceed the total net assets of the Fund. Derivatives used for efficient portfolio management shall comply with the COLL Sourcebook.

A Fund may invest in securities denominated in a currency other than the base currency of the Fund and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed by the COLL Sourcebook, a Fund may enter into various currency transactions, i.e., forward foreign currency contracts, currency swaps, foreign currency or currency index futures contracts and put and call options on such contracts or on currencies, to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another at a future date. The future date, the amount of currency to be exchanged and the price at which it will take place are fixed for the term of the contract once negotiated.

Currency transactions undertaken by a Fund to alter the currency exposure characteristics of transferable securities held by that Fund through the purchase or sale of currencies other than the currency of denomination of that Fund or the relevant transferable securities shall not be speculative in nature, i.e., they will not constitute investments in their own right. To the extent that such currency transactions alter the currency exposure characteristics of transferable securities of a Fund, they must be fully covered by the cash flows of the transferable securities held by that Fund, including any income therefrom.

The performance of a Fund may be strongly influenced by movements in currency rates because currency positions held by the Fund may not correspond with the securities positions held.

A Fund may “cross-hedge” one foreign currency exposure by selling a related foreign currency into the base currency of the Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the U.S. Dollar, Euro or Japanese Yen; a Fund may hedge the exposure to currencies other than its base currency in the basket by selling a weighted average of those currencies forward into the base currency.

### Use of repurchase / reverse repurchase agreements (“repo contracts”) and stock lending arrangements

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A Fund may enter into repurchase agreements, reverse repurchase agreements, and stock lending arrangements for the purposes of efficient portfolio management.

A Fund may enter into repurchase agreements, under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price.

The resale price reflects the purchase price plus an agreed market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. Where a Fund enters into a repurchase agreement, the Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

Under a reverse repurchase agreement, the Fund acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the securities at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the relevant Fund during the term of the reverse repurchase agreement. Where a Fund enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the Net Asset Value of the relevant Fund.

Fixed-term repo contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Fund.

Under stock lending arrangements, a Fund lends its securities to brokers, dealers and other financial institutions.

The Company or the Depositary acting in accordance with the instruction of the ACD, may enter into a repo agreement or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (b) the counterparty is: (i) an authorised person; (ii) a person authorised by a Home State regulator; (iii) a person registered as a broker dealer with the Securities and Exchange Commission of the U.S.; (iv) a bank, or a branch of a bank, supervised and authorized to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the U.S.: (a) the Office of the Comptroller of the Currency; (B) the Federal Deposit Insurance Corporation; and the Board of Governors of the Federal Reserve System; and
- (c) high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) and the collateral is: (i) acceptable to the Depositary; (ii) adequate; and (iii) sufficiently immediate.

The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower must redeliver the securities within five business days or such other period as normal market practice dictates. Stock lending arrangements will typically include provisions to protect the counterparty, or any agent through which securities are lent, against any losses incurred by them that are caused by any default by the Company. A Fund will limit its use of stock lending so that no more than 50% of its net assets are subject to stock lending arrangements and that no more than 20% of its net assets are subject to stock lending arrangements with any single counterparty. Any interest or dividends paid on securities which are the subject of stock lending arrangements shall accrue to the benefit of the relevant Fund.

Repo contracts and/or stock lending arrangements do not constitute borrowing or lending for the purposes of the COLL Sourcebook.

### **“When-issued” and “forward-commitment” securities**

A Fund may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward- commitment” basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. “When-issued” securities and forward-commitments may be sold prior to the settlement date, but a Fund will usually enter into “when-issued” and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities that have been purchased pursuant to a forward commitment or on a “when-issued” basis prior to delivery of the securities. If the Fund disposes of the right to acquire a “when-issued” security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the Fund may incur a gain or loss. There is a risk that the securities may not be delivered and that the Fund may incur a loss. “When-issued” and “forward-commitment” securities are taken into account when calculating the limits set out under **“Investment Powers and Restrictions”** in **Appendix 3** to this Prospectus.

## Securities Financing Transactions

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The ACD is subject to the provisions of the U.K. Securities Financing Transactions Regulation (the “**SFTR**”). The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions (“**SFTs**”) and total return swaps (“**TRS**”), as set out below.

The Funds may use SFTs, which are defined in the SFTR as a repurchase or reverse-repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction for efficient portfolio management purposes. They may also use TRS. The limitations on the use of SFTs and TRS are explained above and in Appendix 3. The Funds’ use of SFTs and TRS is consistent with their respective investment objectives and policies, and accordingly SFTs and TRS may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Fund and the risk diversification rules laid down in the COLL Sourcebook.

Subject to the limitations referred to above, any assets of a Fund may be subject to SFTs and / or TRS. Up to 100% of a Fund’s assets may be the subject of SFT(s) and / or TRS, with an expectation that at any time up to 5% of a Fund’s assets may be subject to such arrangements.

SFTs and TRS will only be entered into with “approved counterparties” as defined in the FCA Handbook. Other than this restriction, there are no pre-specified restrictions on the legal status, country of origin or minimum credit rating of any counterparty in such transactions.

The types of acceptable collateral, as well as the diversification requirements, are explained above under the sub-heading “Collateral”. Any collateral obtained by a Fund pursuant to an SFT or TRS will be valued in accordance with the ACD’s valuation and haircut policy detailed above. Such haircut policy allows for the fact that the valuation of the collateral or liquidity profile may deteriorate over time.

The section of this Prospectus entitled “Risk Factors” provides a description of the risks associated with the use of derivatives, stock lending, repurchase and reverse repurchase agreements, and other investment techniques which are likely to fall within the definition of SFT or apply equally to TRS.

The assets of a Fund that are subject to SFTs and TRS, and any collateral received, are held by the Depositary.

While the reuse of collateral is limited by the COLL Sourcebook to certain asset classes, such reuse should not result in a change to a Fund’s investment objectives nor increase substantially a Fund’s risk profile. For the avoidance of doubt, the assets received as collateral by the Fund pursuant to a reverse repurchase agreement shall not be sold, reinvested, pledged or otherwise transferred in accordance with COLL Sourcebook. The relevant diversification requirements are set out above under the sub-heading “Collateral”.

All of the revenues arising from SFTs and TRS, net of direct and indirect operational costs, will be retained by the relevant Fund.

The ACD will disclose in the Company’s annual report certain information regarding its use of SFTs and TRS.

## Appendix 5: General Information

### Register of Shareholders

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The Register is maintained by the Administrator and Registrar at the address of its registered office at St. Nicholas Lane, Basildon, Essex SS15 5FS. It may be inspected by any Shareholder or his duly authorised agent during normal business hours at that address, without charge. Copies of the entries in the Register relating to a Shareholder are available on request by that Shareholder without charge. The Company has the power to close the Register for any period or periods not exceeding 30 days in any one year.

### Accounting periods and annual and interim reports

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The annual accounting period of the Company ends each year on 31 March, and the interim accounting period ends on 30 September each year.

Reports for each Fund of the Company in respect of each annual accounting period will be published in accordance with the Regulations not later than 31 July each year. Half yearly reports for each Fund of the Company will be published in accordance with the Regulations not later than 30 November each year.

***Copies of reports may be obtained from the ACD, free of charge, on request or inspected at the ACD's offices at 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF or from [www.vanguard.co.uk/uk-fund-directory](http://www.vanguard.co.uk/uk-fund-directory).***

### Periodic disclosure

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The ACD will periodically disclose in the annual report of the Company:

- (1) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (2) any new arrangements for managing the liquidity of the Funds; and
- (3) the current risk profile of each of the Funds and the risk management systems employed by the ACD to manage those risks.

### Shareholder meetings and voting rights

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#### General Meetings

Notice of the date, time and forum of general meetings will be given to Shareholders. A general meeting may be convened and held as:

- a physical meeting, convened at a physical location where Shareholders (or their proxy) must be physically present. The physical location specified in the notice convening the meeting will constitute the forum for the meeting;
- a virtual meeting, where Shareholders (or their proxy) attend and vote remotely. The platform specified in the notice convening the meeting (whether remote conferencing, telephonic or similar) will constitute the forum for the meeting; or
- a hybrid meeting, where Shareholders (or their proxy) have the option to be physically present or to attend and vote remotely. Any physical location specified together with any platform specified will jointly constitute the forum for the meeting.

References in this section to individuals being "present" at a general meeting will apply regardless of whether the individual is in attendance physically or remotely. Any Shareholder who attends a virtual or hybrid meeting remotely will be deemed to be present at the meeting and will have the

same rights that a Shareholder attending physically would have.

The convening and conduct of Shareholders' meetings and the voting rights of Shareholders at those meetings are governed by the Company's Instrument of Incorporation and the COLL Sourcebook, which are summarised below.

Where Shareholders are corporations rather than individuals, the following will apply:

- (a) Any corporation which is a Shareholder may, by resolution of its Directors or other governing body and in respect of any Share or Shares of which it is the holder, authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any Class meeting or Fund meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were an individual Shareholder.
- (b) A corporation which holds Shares as nominee may appoint more than one such representative, each in respect of a specified number of Shares which the corporation holds, and each such representative shall be entitled to exercise such powers aforesaid only in respect of the Shares concerned.

#### **Requisitions of Meetings**

The ACD has elected not to hold Annual General Meetings in accordance with the Regulations and, accordingly, the Company does not hold Annual General Meetings. The ACD or the Depositary may convene a general meeting at any time.

Shareholders may also requisition a general meeting. A requisition by Shareholders must state the objects of the meeting, be dated and signed by the Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue. The ACD must convene a general meeting no later than eight weeks after the receipt of such a requisition at the head office of the Company.

#### **Notice and Quorum**

Shareholders will receive at least 14 days' written notice of a general meeting. They are entitled to be counted in the quorum and to vote at a meeting either personally or by proxy. The quorum for a meeting is two Shareholders, present in person, by proxy or (where applicable) remotely. Notice convening a general meeting of Shareholders will be given in accordance with the Regulations.

An instrument of proxy may be in the usual common form or in any other form which the ACD shall approve executed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised. A person appointed to act as a proxy need not be a Shareholder. For the appointment of a proxy to be effective, the instrument of proxy must be received as provided pursuant to the COLL Sourcebook not less than 48 hours before the relevant meeting or adjourned meeting.

#### **Voting Rights**

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person, or (where applicable) remotely or (being a corporation) is present by its properly authorised representative, shall have one vote.

On a poll vote, Shareholders may vote personally or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all Shares in issue that the price of the Share bears to the aggregate prices(s) of all the Shares in issue on the date seven days before the notice of meeting is deemed to have been served. Shareholders who are entitled to more than one vote need not, if they vote, use all of their votes or cast all the votes used in the same way.

Except where the COLL Sourcebook or the Instrument of Incorporation of the Company requires an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution (an ordinary resolution).

The ACD may not be counted in the quorum for a general meeting, and neither the ACD nor any associate of the ACD is entitled to vote at any general meeting except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

'Shareholders' in this context means Shareholders on the date seven days before the notice of meeting is deemed to have been served, but excluding persons who are known to the ACD not to be Shareholders at the time of the meeting.

### **Class Meetings**

The above provisions apply to meetings of Shareholders of a Fund or Class as they apply to general meetings of Shareholders, but by reference to the Fund or Class concerned.

### **Variation of Class Rights**

The rights attached to a Class of Shares or a Fund may not be varied without the sanction of an ordinary resolution passed at a meeting of the Shareholders of that Class or Fund.

## **Notifications of changes to the Company and/or a Fund**

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The ACD may notify Shareholders of the Company and/or the relevant Fund, as applicable, of changes to the Company and/or the Fund where appropriate. In such cases the nature of the notice given to Shareholders by the ACD will depend on the nature of the changes proposed, as deemed by the ACD. Changes may be fundamental, significant or notifiable.

Where the ACD deems changes to the Company and/or the relevant Fund to be fundamental, Shareholders of the Company and/or the relevant Fund, as applicable, will be required to approve the change by way of an extraordinary resolution prior to implementation.

Where the ACD deems changes to the Company and/or the relevant Fund to be significant, Shareholders of the Company and/or the relevant Fund, as applicable, will be provided with at least 60 days' prior notice before implementation of the change.

Where the ACD deems changes to the Company and/or the relevant Fund to be notifiable, Shareholders of the Company and/or the relevant Fund, as applicable, will be informed at or after the date of implementation of the change.

## **Winding up of the Company or termination of a Fund**

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The Company may not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or, if the Company is solvent, under the Regulations. A Fund may only be terminated under the COLL Sourcebook.

Where the Company is to be wound up or a Fund terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA will only give its approval if the ACD provides a statement (following an investigation into the affairs, business and property of the Company or Fund) either confirming that the Company or Fund will be able to meet all its liabilities within 12 months of the date of the statement or stating that such confirmation cannot be given. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of authorised corporate director at the relevant time.

The Company may be wound up or a Fund terminated under the COLL Sourcebook:

- (a) if an extraordinary resolution to that effect is passed by the Shareholders; or
- (b) if the period (if any) fixed for the duration of the Company or the Fund by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or Fund is to be wound up (for example, if the share capital of the Company is below its prescribed minimum or (in relation to any Fund) if the value of the Fund is less than £50 million or the equivalent in the currency of denomination at any time on or after one year from the date of first issue of Shares in that Fund, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or
- (c) on the effective date of an agreement by the FCA in response to a request by the ACD for the winding up of the Company or the termination of the Fund; or
- (d) on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property; or
- (e) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or
- (f) on the date on which all of the Funds fall within (e) or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

A Fund may also be terminated in accordance with the terms of a scheme of amalgamation or reconstruction, in which case Shareholders in the Fund will become entitled to receive shares or units in another regulated collective investment scheme in exchange for their Shares in the Fund.

On the occurrence of any of the events in paragraphs (a) to (c) above, and provided the FCA has given its approval:

- (a) chapter 5 and sections 6.2 and 6.3 of the COLL Sourcebook (relating to investment and borrowing powers and pricing and dealing) will cease to apply to the Company or the Fund;
- (b) the Company will cease to issue and cancel Shares in the Company or the Fund, and the ACD shall cease to sell or redeem Shares or to arrange for the Company to issue or cancel them;
- (c) no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
- (d) where the Company is being wound up, the Company shall cease to carry on its business except for its beneficial winding up; and
- (e) the corporate status and powers of the Company and, subject to the provisions of paragraph (a) and (d) above, the powers of the ACD shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the winding up of the Company or the termination of a Fund has commenced, cause the Scheme Property to be realised and the liabilities of the Company or Fund to be met out of the proceeds. Where sufficient liquid funds are available after making adequate provision for the expenses of the winding up or termination and the discharge of the Company's or the Fund's remaining liabilities, the ACD may arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to the right of their Shares to participate in the Scheme Property at the commencement of the winding up or termination. The ACD shall arrange for the Depositary to make a final distribution to Shareholders, on or prior to the date on which the final account is sent to Shareholders, of any balance remaining in proportion to their holdings in the Company or the particular Fund.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

Following the completion of a winding up of the Company or of a termination of a Fund, the Depositary shall notify the FCA and at the same time the ACD or the Depositary shall request the FCA to revoke the relevant authorisation order.

Following the completion of a winding up of the Company or a termination of a Fund, the ACD must prepare an account showing how the winding up or termination has been conducted and how the Scheme Property has been disposed of. The auditor of the Company shall make a report in respect of the final account or termination account, stating their opinion as to whether the final account or termination account has been properly prepared. The final account or termination account and the auditor's report must be sent to the FCA, and to each relevant Shareholder within two months of the date of completion of the termination or winding up.

As the Company is an umbrella company, any liabilities attributable or allocated to a particular Fund under the COLL Sourcebook shall be met out of the Scheme Property attributable or allocated to that Fund.

## Documents of the Company

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The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. on any working day at the head office of the ACD, 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF:

- (a) the most recent annual and half-yearly long reports of the Company;
- (b) the Instrument of Incorporation (and any amending instrument);
- (c) the Prospectus and the NURS-Key Investor Information documents; and
- (d) the ACD Agreement.

Copies of the documents referred to above may also be obtained from the head office of the ACD.

## Material contracts

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The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) the ACD Agreement dated 16 June 2011 between the Company and the ACD (as amended);
- (b) the Depositary Agreement dated 13 July 2016 as amended pursuant to an addendum agreement dated 23 April 2019 between the Company and the Depositary; and
- (c) the Advisory Agreement dated 1 January 2025 between the ACD and the Investment Adviser.

Details of the above contracts are given in the "Management and Administration" section of this Prospectus.

## Complaints

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If you have any complaints, please write in the first instance to the Head of Compliance at the ACD's address above. A copy of the ACD's Complaint Handling Procedures is available on request from the ACD. You may also contact us via your financial adviser. If you are not satisfied with the outcome of your complaint, you may also complain directly to the Financial Ombudsman Service:

Financial Ombudsman Service  
South Quay  
Exchange Tower  
Harbour Exchange London E14 9SR  
Tel: 0800 023 4567  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The ACD is covered by the Financial Services Compensation Scheme (FSCS). Eligible Shareholders may be entitled to compensation from the FSCS if the ACD cannot meet its obligations. Eligibility depends on the type of claimant and the circumstances of the claim (e.g., a private individual will typically be covered in relation to a personal investment). The maximum compensation for investments is currently capped at £85,000 per eligible person per firm. Further information about the FSCS is available on request, or by contacting the FSCS at Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY (or visit the website at [www.fscs.org.uk](http://www.fscs.org.uk)). Tel: 0800 678 1100.

### Notice to Shareholders

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A notice is duly served if it is delivered to the Shareholder's address as appearing in the Register or is delivered by electronic means in accordance with the COLL Sourcebook. Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

### Further information

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All information concerning the Company and about investing in Shares of the Company is available from the Administrator and Registrar at Vanguard LifeStrategy Funds, P.O. Box 10315, Chelmsford, CM99 2AT. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up-to-date version.

### Telephone recordings

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Please note that the ACD and/or the Administrator and Registrar may record telephone calls for regulatory, training or monitoring purposes or to confirm investors' instructions.

### Risk management

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The ACD will provide, upon the request of a Shareholder, further information relating to:

- (a) the quantitative limits applying in the risk management of any Fund;
- (b) the methods used in relation to (a) above; and
- (c) any recent development of the risk and yields of the main categories of investment.

### Governing Law and Jurisdiction

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The ACD treats a Shareholder's participation in the Funds as being governed by the laws of England and Wales. Subject to any contrary mandatory law or jurisdiction, the English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, a Shareholder's participation in the Funds. All deals in Shares are governed by English law.

A number of European laws provide for the recognition and enforcement in England and Wales of judgements given in Member States. This means that an investor based in any Member State can enforce a judgement obtained in England in their country of residence, or vice versa.

## Professional liability risk

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The ACD, as the AIFM of each of the Funds, is responsible for the portfolio management of each Fund and exercising the risk management function in respect of each Fund. In addition, the ACD's duties include maintaining the books and records of each Fund, valuing each Fund's assets, calculating the net asset value of each Fund and the net asset value per unit and the general administration of the Funds, including the distribution of units. As the AIFM of each of the Funds, the ACD is also responsible for ensuring compliance with the U.K. AIFM Regime in respect of each Fund. Professional liability risks resulting from those activities which the ACD carries out pursuant to the U.K. AIFM Regime are covered by the ACD through own funds (within the meaning of the U.K. AIFM Regime).

## Fair treatment of investors

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The ACD has procedures, arrangements and policies to ensure the fair treatment of all Shareholders. The principles underpinning fair treatment include, but are not limited to:

- (a) acting in the best interests of the Funds and their investors;
- (b) ensuring the use of fair, accurate and transparent pricing models and valuation systems for the Funds;
- (c) preventing undue costs being charged to the Funds and investors;
- (d) taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and – where applicable – disclosing such conflicts to prevent them from adversely affecting the interests of Shareholders; and
- (e) recognising and handling complaints in a fair manner.

Shareholders should note that fair treatment does not necessarily equate to or imply identical treatment. The terms and conditions applicable to a Shareholder's holding may differ from those of other Shareholders. For example, different Classes of Shares in a Fund may carry varying minimum subscription requirements, as well as differing fee structures. From time to time, the Company and/or ACD may also enter into side letters or agreements with certain investors (typically nominees and/or intermediaries, such as platforms or distributors) which may result in different terms applying to the Shares held by those investors (for example, in relation to fees or minimum investment amounts). These arrangements are typically made at the nominee level and do not directly amend the rights of underlying Shareholders as set out in the Prospectus. The ACD will ensure that any such arrangements do not result in a material disadvantage to other Shareholders.

## Preferential treatment of investors

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From time to time, the Company, the ACD and/or other companies in the Vanguard Group of Companies may enter into side letters or agreements with certain investors (typically nominees and/or intermediaries, such as platforms or distributors), which may result in different terms applying to the Shares held by those investors as described in 'Fair treatment of investors' above. In doing so, the ACD will ensure that such arrangements remain consistent with its duty to act in the overall best interests of the relevant Fund and its investors. Any preferential treatment given to one or more Shareholders should not result in a material disadvantage to other Shareholders.

For instance, the ACD may, at its discretion, waive fees and charges or minimum investment amounts, or offer rebates or reductions (e.g. in respect of large investments by platforms or institutional investors). The ACD may also extend preferential terms to employees of group companies or to its affiliates.

## Appendix 6: Delegation of Safekeeping Duties by the Depository

The Depository has delegated those safekeeping duties set out in the COLL Sourcebook to State Street Bank and Trust Company with registered office at One Congress Street, Suite 1, Boston, Massachusetts, 02114-2016, U.S, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom the Depository has appointed as its global sub-custodian.

At the date of this Prospectus, State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

MARKET	SUB-CUSTODIAN
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Argentina</b>	Citibank, N.A.
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Austria</b>	Deutsche Bank AG
	UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Botswana</b>	Standard Chartered Bank Botswana Limited   Standard Chartered Bank
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch   Citibank, N.A.
	UniCredit Bulbank AD   UniCredit S.p.A.
<b>Canada</b>	Desjardins Trust Inc.   The Federation Des Caisses Desjardins Du Quebec
	Natcan Trust Company
	Royal Bank of Canada
	State Street Trust Company Canada
<b>Chile</b>	Itaú CorpBanca S.A.
<b>China A and CIBM</b>	Agricultural Bank of China
	Bank of China
	China Construction Bank Corporation
	Citibank (China) Co Limited  Citibank, N.A.
	Deutsche Bank (China) Co., Ltd.
	Industrial and Commercial Bank of China
	Standard Chartered Bank (China) Limited  Standard Chartered Bank
	Shanghai Pudong Development Bank
<b>China A, B and CIBM</b>	HSBC Bank (China) Co. Ltd.
<b>Clearstream</b>	Clearstream Banking Luxembourg
<b>Colombia</b>	Cititrust S.A.   Citibank, N.A.

<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.   UniCredit S.p.A.
<b>Cyprus</b>	BNP Paribas Securities Services
<b>Czech Republic</b>	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia   UniCredit S.p.A.
<b>Denmark</b>	Skandinaviska Enskilda Banken AB
<b>Egypt</b>	Citibank N.A. Egypt
<b>Estonia</b>	AS SEB Pank
<b>Eswatini</b>	Standard Bank Eswatini Limited
<b>Euroclear</b>	Euroclear SA/NV
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank D.D.   UniCredit S.p.A.
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)
<b>France</b>	Deutsche Bank AG, Amsterdam Branch
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank International Bank GmbH
	Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited   Standard Chartered Bank
<b>Greece</b>	BNP Paribas Securities Services
<b>Hong Kong – Stock Connect SPSA, Bond Connect</b>	Standard Chartered Bank (Hong Kong) Limited   Standard Chartered Bank
<b>Hong Kong – Stock Connect TPC</b>	Citibank, N.A.
<b>Hong Kong – HK Market and Stock Connect TPC</b>	Hongkong Shanghai Banking Corporation Limited
<b>Hungary</b>	Citibank Europe Plc, Hungarian Branch Office   Citibank, N.A.
	UniCredit Bank Hungary Zrt.   UniCredit S.p.A.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG
	Citibank N.A., Mumbai
	Hongkong and Shanghai Banking Corporation Limited, Mumbai
<b>Indonesia</b>	Deutsche Bank AG Securities Services, Jakarta
	Standard Chartered Bank Indonesia Branch, Jakarta
<b>Ireland</b>	via Euroclear Bank, Brussels
<b>Israel</b>	Bank Hapoalim B.M., Tel Aviv
<b>Italy</b>	Deutsche Bank S.p.A. – Milan
	Intesa Sanpaolo S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.   Standard Chartered Bank
<b>Japan</b>	Mizuho Bank, Ltd.
	Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank

<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited   Standard Chartered Bank
<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lithuania</b>	AB SEB bankas
<b>Malawi</b>	Standard Bank Limited, Malawi   Standard Bank of South Africa Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad   Standard Chartered Bank
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.   Citibank, N.A.
<b>Morocco</b>	Citibank Maghreb   Citibank, N.A.
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.   Citibank, N.A.
<b>Philippines</b>	Standard Chartered Bank
	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A.   Citibank, N.A.
<b>Portugal (Interbolsa)</b>	Deutsche Bank AG
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Republic of Srpska</b>	UniCredit Bank D.D.   UniCredit S.p.A.
<b>Romania</b>	Citibank Europe Plc, Dublin – Romania Branch   Citibank, N.A.
<b>Russia</b>	AO Citibank, Moscow
<b>Saudi Arabia</b>	HSBC Saudi Arabia (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Serbia</b>	UniCredit Bank Serbia JSC
	UniCredit S.p.A.
<b>Singapore</b>	Citibank N.A.
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s., Pobočka Zahranicnej Banky   UniCredit S.p.A.
<b>Slovenia</b>	UniCredit Banka Slovenija D.D.   UniCredit S.p.A.

<b>South Africa</b>	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Sweden</b>	SEB Merchant Banking, Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.
	UBS Switzerland AG
<b>Taiwan</b>	Bank of Taiwan
	Citibank, N.A.
	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited   The Hongkong and Shanghai Banking Corporation Limited
	JP Morgan Chase Bank
	Standard Chartered Bank, Plc
<b>Tanzania</b>	Standard Chartered Bank Tanzania Limited   Standard Chartered Bank
<b>Thailand</b>	Standard Chartered Bank (Thai) , PCL   Standard Chartered Bank
<b>Tunisia</b>	Union Internationale de Banques   Societe Generale
<b>Turkey</b>	Citibank, A.Ş.   Citibank, N.A.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited   Standard Chartered Bank
<b>Ukraine</b>	JSC Citibank   Citibank, N.A.
<b>United Arab Emirates Dubai Financial Market (ADX, DFM, Nasdaq Dubai)</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	Royal Bank of Scotland
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd   The Hongkong and Shanghai Banking Corporation Limited
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited

**Vanguard**

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