

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

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

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

Economic background

In the second quarter (Q2) of 2022, inflation in major advanced economies continued to rise, causing central banks to signal a tighter monetary policy stance than previously expected. Meanwhile, global growth momentum continued to slow.

In the UK, gross domestic product (GDP) grew by 0.8% quarter on quarter (QoQ) in Q1 2022, suggesting that an increase in the cost of living was beginning to weigh on economic growth. Since then, conditions have continued to deteriorate with the level of output declining in April. Consumer confidence is at an all-time low and we expect real living standards to contract by around 2% this year. Given this pessimistic backdrop, we assign a 45% probability to the UK slipping into recession later this year. Headline inflation rose to 9.1%¹ year on year (YoY) in May,

marking a new 40-year high. While food and energy inflation were the main contributors, the figures reflected broad-based gains. Core inflation fell to 5.9%² (YoY) in May. The UK labour market remained tight with the unemployment rate below 4% and vacancies remaining elevated relative to historic norms. The Bank of England raised interest rates by 50 basis points to 1.25% in the second quarter. Meanwhile, the Chancellor announced a package to tackle the cost-of-living crisis, which totalled £15 billion and targeted low-income households.

In the euro area, GDP increased by 0.6% (QoQ) in Q1. Growth continued to be challenged by the war in Ukraine, which has resulted in higher energy prices, reduced confidence and tighter financial conditions. The potential for an abrupt end to Russian natural gas supply remains an important risk. We assign a 45% probability that the euro area will be in recession later this year. Headline inflation jumped to 8.5% (YoY) in June, marking a fresh record, and core inflation hit 3.7%³ (YoY). Labour market pressures were building, with the unemployment rate falling to a record low of 6.6% in May. The European Central Bank left monetary policy broadly unchanged in Q2 but has signalled it will stop quantitative easing purchases and start to raise interest rates from Q3 onwards. The bank said that it will also accelerate the development of a 'spread-fighting' tool⁴ to limit risks of fragmentation⁵.

¹ UK Headline Inflation is CPI Inflation, Source: Office of National Statistics as of May 2022.

² UK Core Inflation is CPI Inflation, Source: Office of National Statistics as of May 2022.

³ Euro area core inflation is CPI inflation, Source: Eurostat as of June 2022.

⁴ Intended to prevent the spreads between bond yields widening.

⁵ Diverging financing costs between different countries.

The US economy contracted by 1.6% (QoQ, seasonally adjusted annual rate) in Q1, due to negative contributions from net trade and inventories, while consumption and investment were strong. Recent activity data also pointed to a weak Q2 and we place a 40% probability that the US will be in recession in the next 12 months. US headline inflation accelerated to a fresh 40-year high of 8.5%⁶ (YoY) in May, with food and energy remaining the key drivers. Core customer price index (CPI) also came in at 6.0% (YoY) driven broadly across goods and services. The US labour market remained strong, with job creation in May coming in higher than expected. The unemployment rate was unchanged at 3.6%, just above its pre-pandemic low. The US Federal Reserve raised the target for its federal funds rate⁷ by 125 basis points in Q2, including one 75-basis-point hike in June, the largest single interest rate increase since November 1994.

In China, growth in Q2 was set back by strict lockdowns to tackle the most recent outbreak of Covid-19. Weak business and consumer confidence is disrupting the credit transmission channel, manifesting in low demand for credit. An over-emphasis on supply-side stimulus at the expense of demand-side income support has created a weak economic backdrop for the second half of this year. However, retail sales, industrial production and fixed asset investment all improved in May, suggesting the start of an economic recovery. The People's Bank of China cut its five-year loan prime rate from 4.6% to 4.45%, effective immediately for new home mortgages.

Key takeaway

What should investors do in response to these developments?

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

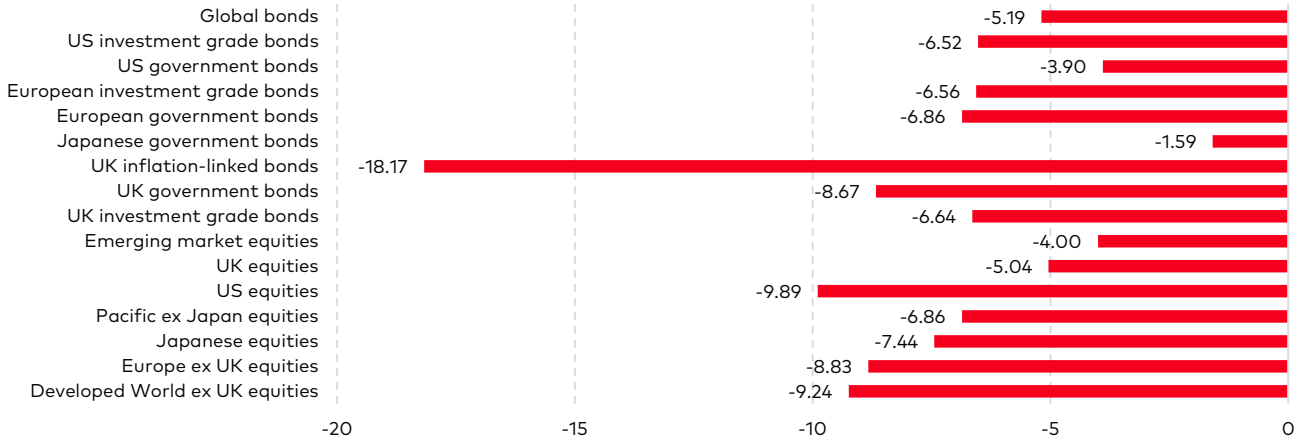
At Vanguard, we believe that investors will usually be better served by identifying the appropriate asset allocation to suit their goals, then sticking with it and tuning out short-term noise. By regularly rebalancing back to target weights, the LifeStrategy® Funds are built to reflect this belief. See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

⁶ US Headline Inflation is CPI Inflation, Source: Bureau of Labor statistics as of May 2022.

⁷ The interest rate that US banks charge each other to lend funds overnight.

Market performance

Equity and bond market total returns in Q2 2022 (%)



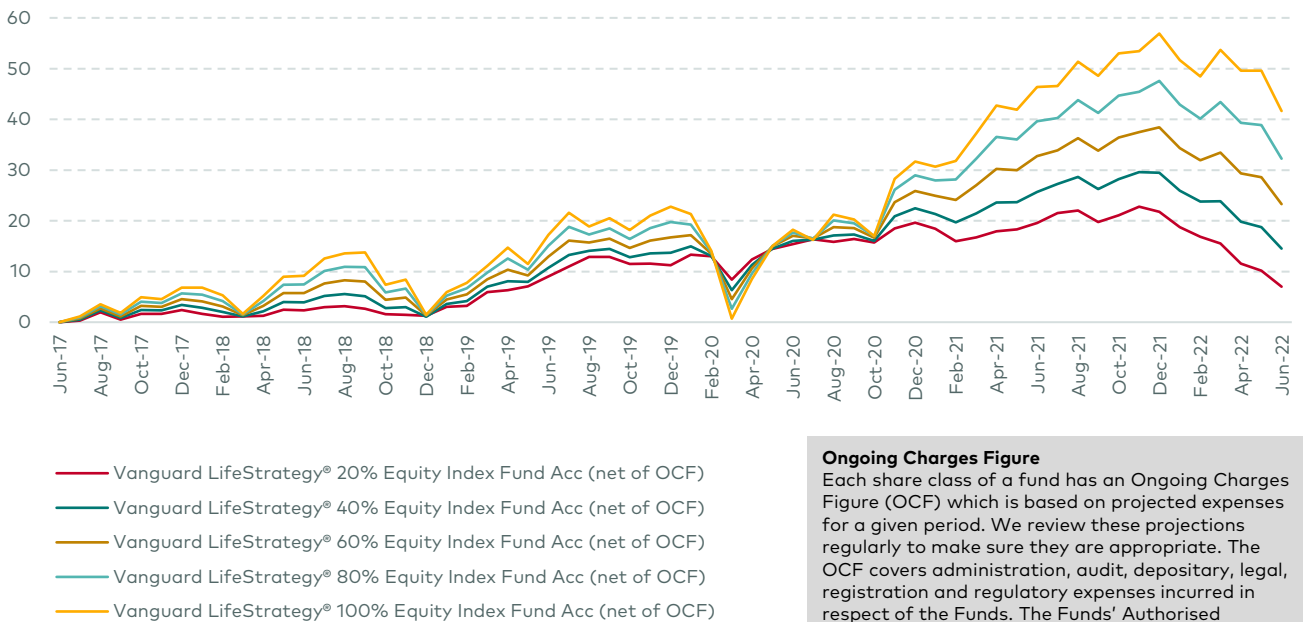
Past performance is not a reliable indicator of future results.

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

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

Fund performance

Cumulative % growth, GBP, 01/07/2017 to 30/06/2022



Past performance is not a reliable indicator of future results.

Performance shown is cumulative and includes the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares.

Basis of fund performance NAV to NAV.

All performance is calculated in GBP.

Source: Vanguard as at 30 June 2022.

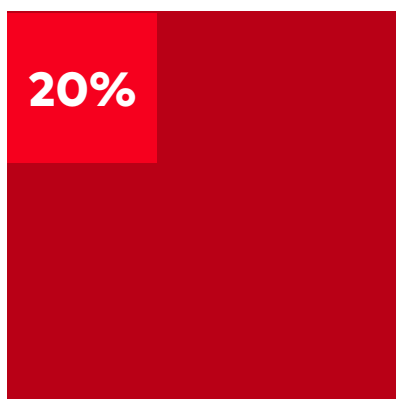
Ongoing Charges Figure

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

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

Vanguard LifeStrategy 20% Equity Fund

Target weighting



Equities
Bonds

Ongoing charges figure 0.22%

Number of underlying holdings 24,155

Credit rating breakdown – bonds (%)

AAA	24.48
AA	27.08
A	14.82
BBB	13.24
Less than BBB	0.03
NR	0.66

Risk rating¹

Defaqto	2.00
Distribution Technology	3.00
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	2.52
FinaMetrica (Best Fit range)	14-40
Oxford (risk band of 5)	1.00
Oxford (risk band of 7)	2.00
Synaptic (Strategic asset allocation: risk scale 1 - 10)	4.00
Synaptic (Strategic asset allocation: risk scale 1 - 5)	2.70

Fund AUM

£1,955,743,717.32

Past performance is not a reliable indicator of future results. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. All performance is calculated in GBP. Source: Vanguard as at 30 June 2022.

Underlying funds²

Fund	Weight (%)
Vanguard Global Bond Index Fund	19.3
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	13.1
Vanguard Global Aggregate Bond UCITS ETF	12.1
Vanguard U.K. Government Bond Index Fund	11.1
Vanguard U.K. Investment Grade Bond Index Fund	7.7
Vanguard U.K. Inflation-Linked Gilt Index Fund	7.5
Vanguard U.S. Government Bond Index Fund	6.2
Vanguard U.S. Investment Grade Credit Index Fund	6.0
Vanguard Euro Government Bond Index Fund	5.2
Vanguard FTSE U.K. All Share Index Unit Trust	4.9
Vanguard Euro Investment Grade Bond Index Fund	2.7
Vanguard Japan Government Bond Index Fund	2.5
Vanguard Emerging Markets Stock Index Fund	1.7

Underlying asset classes²

Fund	Weight (%)
Global Bond	31.40
U.K. Gilts	11.10
North American Equities	9.50
U.K. Corporate Bonds	7.70
U.K. Index Linked Bonds	7.50
U.S. Government Bond	6.20
U.S. Corporate Bonds	6.00
European Government Bond	5.20
U.K. Equities	4.90
European Corporate Bonds	2.70
Japan Government Bond	2.50
European ex U.K. Equities	1.88
Emerging Markets Equities	1.70
Japan Equities	0.96
Asia ex Japan Equities	0.76

Sector breakdown – equities (%)

Information Technology	3.31
Financials	3.08
Health Care	2.50
Consumer Discretionary	2.00
Industrials	1.92
Consumer Staples	1.83
Communication Services	1.38
Energy	1.18
Materials	1.14
Utilities	0.64
Real Estate	0.58
Other	0.12

Past performance as at 30 June 2022 (accumulation shares)

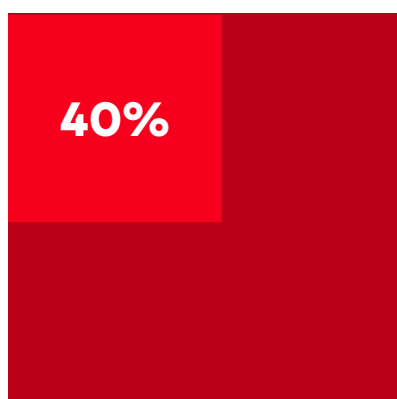
Period	Net fund return (%)
Since Inception (annualised)	4.12
3 Month	-7.37
6 Month	-12.12
YTD	-12.12
1 Year (annualised)	-10.50
3 Year (annualised)	-0.61
5 Year (annualised)	1.37
1 Jul 2017 - 30 Jun 2018	2.38
1 Jul 2018 - 30 Jun 2019	6.51
1 Jul 2019 - 30 Jun 2020	5.87
1 Jul 2020 - 30 Jun 2021	3.61
1 Jul 2021 - 30 Jun 2022	-10.50

¹ Distribution Technology data as at Q2 2022; FinaMetrica data as at 31/01/2021; EValue data as at Q2 2022; Defaqto data as at 30/4/2022; Synaptic data as at Q1 2022. These as-at dates are the same for every fund.

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

Vanguard LifeStrategy 40% Equity Fund

Target weighting



■	Equities
■	Bonds

Ongoing charges figure 0.22%

Number of underlying holdings 28,725

Credit rating breakdown – bonds (%)

AAA	18.14
AA	20.46
A	11.19
BBB	10.03
Less than BBB	0.02
NR	0.45

Risk rating

Defaqto	4.00
Distribution Technology	4.00
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	4.38
FinaMetrica (Best Fit range)	41-53
Oxford (risk band of 5)	2.00
Oxford (risk band of 7)	2.00
Synaptic (Strategic asset allocation: risk scale 1 - 10)	6.00
Synaptic (Strategic asset allocation: risk scale 1 - 5)	3.70

Fund AUM

£7,586,506,846.52

Past performance is not a reliable indicator of future results. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. All performance is calculated in GBP. Source: Vanguard as at 30 June 2022.

Underlying funds

Fund	Weight (%)
Vanguard Global Bond Index Fund	19.3
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.1
Vanguard FTSE U.K. All Share Index Unit Trust	9.9
Vanguard U.K. Government Bond Index Fund	8.4
Vanguard U.K. Investment Grade Bond Index Fund	5.8
Vanguard U.K. Inflation-Linked Gilt Index Fund	5.7
Vanguard U.S. Equity Index Fund	5.4
Vanguard Global Aggregate Bond UCITS ETF	4.8
Vanguard U.S. Government Bond Index Fund	4.4
Vanguard Euro Government Bond Index Fund	3.8
Vanguard Emerging Markets Stock Index Fund	3.3
Vanguard U.S. Investment Grade Credit Index Fund	2.8
Vanguard Euro Investment Grade Bond Index Fund	2.0
Vanguard Japan Government Bond Index Fund	1.8
Vanguard USD Corporate Bond UCITS ETF	1.5
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	1.1
Vanguard Japan Stock Index Fund	0.6
Vanguard Pacific Ex-Japan Stock Index Fund	0.3

Underlying asset classes

Fund	Weight (%)
Global Bond	24.10
North American Equities	19.25
U.K. Equities	9.90
U.K. Gilts	8.40
U.K. Corporate Bonds	5.80
U.K. Index Linked Bonds	5.70
US Government Bond	4.40
US Corporate Bonds	4.30
European ex U.K. Equities	3.84
European Government Bond	3.80
Emerging Markets Equities	3.30
Japan Equities	2.00
European Corporate Bonds	2.00
Japan Government Bond	1.80
Asia ex Japan Equities	1.40

Sector breakdown – equities (%)

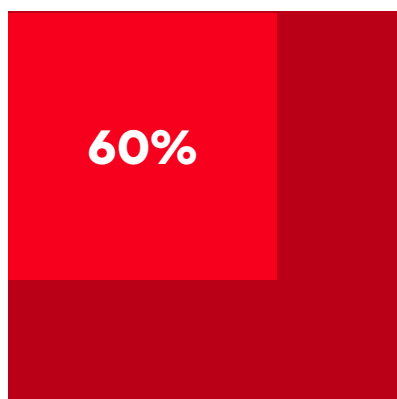
Sector	Weight (%)
Information Technology	6.60
Financials	6.18
Health Care	5.09
Consumer Discretionary	4.05
Industrials	3.93
Consumer Staples	3.68
Communication Services	2.76
Energy	2.35
Materials	2.29
Utilities	1.30
Real Estate	1.21
Other	0.25

Past performance as at 30 June 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	5.53
3 Month	-7.53
6 Month	-11.53
YTD	-11.53
1 Year (annualised)	-8.87
3 Year (annualised)	1.13
5 Year (annualised)	2.76
1 Jul 2017 - 30 Jun 2018	3.91
1 Jul 2018 - 30 Jun 2019	6.60
1 Jul 2019 - 30 Jun 2020	4.78
1 Jul 2020 - 30 Jun 2021	8.31
1 Jul 2021 - 30 Jun 2022	-8.87

Vanguard LifeStrategy 60% Equity Fund

Target weighting



Equities
Bonds

Ongoing charges figure 0.22%

Number of underlying holdings 27,660

Credit rating breakdown – bonds (%)

AAA	12.62
AA	13.54
A	7.22
BBB	6.47
Less than BBB	0.01
NR	0.33

Risk rating

Defaqto	5.00
Distribution Technology	5.00
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	6.33
FinaMetrica (Best Fit range)	54-65
Oxford (risk band of 5)	3.00
Oxford (risk band of 7)	4.00
Synaptic (Strategic asset allocation: risk scale 1 - 10)	6.00
Synaptic (Strategic asset allocation: risk scale 1 - 5)	3.90

Fund AUM

£13,272,537,247.97

Past performance is not a reliable indicator of future results. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. All performance is calculated in GBP.
Source: Vanguard as at 30 June 2022.

Underlying funds

Fund	Weight (%)
Vanguard Global Bond Index Fund	19.4
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.3
Vanguard U.S. Equity Index Fund	15.3
Vanguard FTSE U.K. All Share Index Unit Trust	14.9
Vanguard U.K. Government Bond Index Fund	5.5
Vanguard Emerging Markets Stock Index Fund	5.0
Vanguard U.K. Investment Grade Bond Index Fund	3.8
Vanguard U.K. Inflation-Linked Gilt Index Fund	3.6
Vanguard Global Aggregate Bond UCITS ETF	3.1
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	3.0
Vanguard Japan Stock Index Fund	1.5
Vanguard U.S. Government Bond Index Fund	1.3
Vanguard U.S. Investment Grade Credit Index Fund	1.2
Vanguard Euro Government Bond Index Fund	1.1
Vanguard Pacific Ex-Japan Stock Index Fund	0.8
Vanguard Euro Investment Grade Bond Index Fund	0.6
Vanguard Japan Government Bond Index Fund	0.6

Underlying asset classes

Fund	Weight (%)
North American Equities	29.30
Global Bond	22.50
U.K. Equities	14.90
European ex U.K. Equities	5.77
U.K. Gilts	5.50
Emerging Markets Equities	5.00
U.K. Corporate Bonds	3.80
U.K. Index Linked Bonds	3.60
Japan Equities	2.92
Asia ex Japan Equities	1.91
US Government Bond	1.30
US Corporate Bonds	1.20
European Government Bond	1.10
European Corporate Bonds	0.60
Japan Government Bond	0.60

Sector breakdown – equities (%)

Information Technology	9.90
Financials	9.28
Health Care	7.72
Consumer Discretionary	6.12
Industrials	5.97
Consumer Staples	5.52
Communication Services	4.14
Energy	3.52
Materials	3.44
Utilities	1.97
Real Estate	1.87
Other	0.37

Past performance as at 30 June 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	6.94
3 Month	-7.63
6 Month	-10.95
YTD	-10.95
1 Year (annualised)	-7.16
3 Year (annualised)	2.95
5 Year (annualised)	4.27
1 Jul 2017 - 30 Jun 2018	5.74
1 Jul 2018 - 30 Jun 2019	6.84
1 Jul 2019 - 30 Jun 2020	3.60
1 Jul 2020 - 30 Jun 2021	13.44
1 Jul 2021 - 30 Jun 2022	-7.16

Vanguard LifeStrategy 80% Equity Fund

Target weighting



■ Equities
■ Bonds

Ongoing charges figure **0.22%**

Number of underlying holdings **23,359**

Credit rating breakdown – bonds (%)

AAA	6.67
AA	6.66
A	3.57
BBB	3.23
Less than BBB	0.01
NR	0.16

Risk rating

Defaqto	7.00
Distribution Technology	6.00
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	8.25
FinaMetrica (Best Fit range)	66-82
Oxford (risk band of 5)	4.00
Oxford (risk band of 7)	5.00
Synaptic (Strategic asset allocation: risk scale 1 - 10)	8.00
Synaptic (Strategic asset allocation: risk scale 1 - 5)	4.80

Fund AUM

£7,605,784,649.50

Past performance is not a reliable indicator of future results. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. All performance is calculated in GBP. Source: Vanguard as at 30 June 2022.

Underlying funds

Fund	Weight (%)
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.2
Vanguard U.S. Equity Index Fund	19.1
Vanguard FTSE U.K. All Share Index Unit Trust	19.1
Vanguard Global Bond Index Fund	14.3
Vanguard Emerging Markets Stock Index Fund	6.7
Vanguard S&P 500 UCITS ETF	5.8
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	4.9
Vanguard Japan Stock Index Fund	2.6
Vanguard U.K. Government Bond Index Fund	2.4
Vanguard U.K. Inflation-Linked Gilt Index Fund	1.9
Vanguard U.K. Investment Grade Bond Index Fund	1.7
Vanguard Pacific Ex-Japan Stock Index Fund	1.4
Vanguard FTSE 100 UCITS ETF	0.8
Vanguard FTSE 250 UCITS ETF	0.1

Underlying asset classes

Fund	Weight (%)
North American Equities	38.82
U.K. Equities	20.00
Global Bond	14.30
European ex U.K. Equities	7.66
Emerging Markets Equities	6.70
Japan Equities	4.01
Asia ex Japan Equities	2.51
U.K. Gilts	2.40
U.K. Index Linked Bonds	1.90
U.K. Corporate Bonds	1.70

Sector breakdown – equities

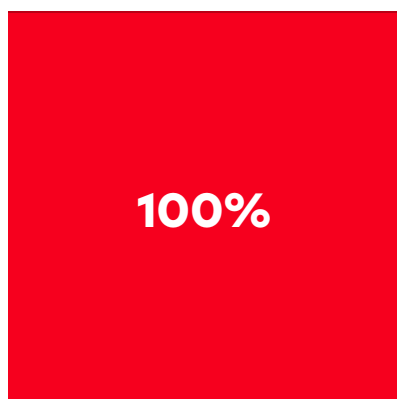
	(%)
Information Technology	13.15
Financials	12.32
Health Care	10.32
Consumer Discretionary	8.17
Industrials	7.95
Consumer Staples	7.40
Communication Services	5.54
Energy	4.67
Materials	4.58
Utilities	2.63
Real Estate	2.48
Other	0.48

Past performance as at 30 June 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	8.28
3 Month	-7.75
6 Month	-10.35
YTD	-10.35
1 Year (annualised)	-5.28
3 Year (annualised)	4.75
5 Year (annualised)	5.76
1 Jul 2017 - 30 Jun 2018	7.47
1 Jul 2018 - 30 Jun 2019	7.12
1 Jul 2019 - 30 Jun 2020	2.26
1 Jul 2020 - 30 Jun 2021	18.66
1 Jul 2021 - 30 Jun 2022	-5.28

Vanguard LifeStrategy 100% Equity Fund

Target weighting



- Equities
- Bonds

Ongoing charges figure **0.22%**

Number of underlying holdings **7,529**

Credit rating breakdown – bonds (%)

Not Applicable

Risk rating

Defaqt0	9.00
Distribution Technology	7.00
EValue (Risk Benchmark EValue Standard 1-10, over 15 years, accumulation shareclasses)	10+
FinaMetrica (Best Fit range)	83-100
Oxford (risk band of 5)	5.00
Oxford (risk band of 7)	6.00
Synaptic (Strategic asset allocation: risk scale 1 - 10)	10.00
Synaptic (Strategic asset allocation: risk scale 1 - 5)	5.70

Fund AUM

£4,219,981,668.14

Past performance is not a reliable indicator of future results. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. All performance is calculated in GBP. Source: Vanguard as at 30 June 2022.

Underlying funds

Fund	Weight (%)
Vanguard U.S. Equity Index Fund	19.4
Vanguard FTSE Developed World ex-U.K. Equity Index Fund	19.3
Vanguard FTSE U.K. All Share Index Unit Trust	19.2
Vanguard S&P 500 UCITS ETF	15.3
Vanguard Emerging Markets Stock Index Fund	8.4
Vanguard FTSE Developed Europe ex-U.K. Equity Index Fund	7.0
Vanguard FTSE 100 UCITS ETF	4.8
Vanguard Japan Stock Index Fund	3.8
Vanguard Pacific Ex-Japan Stock Index Fund	2.0
Vanguard FTSE 250 UCITS ETF	0.8

Underlying asset classes

Fund	Weight (%)
North American Equities	48.70
U.K. Equities	24.80
European ex U.K. Equities	9.77
Emerging Markets Equities	8.40
Japan Equities	5.22
Asia ex Japan Equities	3.11

Sector breakdown – equities

	(%)
Information Technology	16.56
Financials	15.39
Health Care	13.01
Consumer Discretionary	10.27
Industrials	9.96
Consumer Staples	9.33
Communication Services	7.01
Energy	5.83
Materials	5.72
Utilities	3.30
Real Estate	3.07
Other	0.55

Past performance as at 30 June 2022 (accumulation shares)

Period	Net fund return (%)
Since Inception (annualised)	9.56
3 Month	-7.83
6 Month	-9.73
YTD	-9.73
1 Year (annualised)	-3.26
3 Year (annualised)	6.51
5 Year (annualised)	7.21
1 Jul 2017 - 30 Jun 2018	9.17
1 Jul 2018 - 30 Jun 2019	7.39
1 Jul 2019 - 30 Jun 2020	0.85
1 Jul 2020 - 30 Jun 2021	23.84
1 Jul 2021 - 30 Jun 2022	-3.26

Vanguard's principles for investing success

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

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

1 Goals

Create clear, appropriate investment goals

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

3 Costs

Minimise cost

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

2 Balance

Develop a suitable asset allocation using broadly diversified funds

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

4 Discipline

Maintain perspective and long-term discipline

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

Investment risk

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

Past performance is not a reliable indicator of future results.

Some funds invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall.

Investments in smaller companies may be more volatile than investments in well-established blue chip companies.

The Vanguard LifeStrategy® Funds may invest in Exchange Traded Fund (ETF) shares.

ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid- offer spread which should be considered fully before investing.

Funds investing in fixed interest securities carry the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

The Funds may use derivatives in order to reduce risk or cost and/or generate extra income or growth. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value. A derivative is a financial contract whose value is based on the value of a financial asset (such as a share, bond, or currency) or a market index.

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

Important information

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

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

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

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

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

For investors in UK domiciled funds, a summary of investor rights can be obtained via <https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/Vanguard-InvestorsRightsSummaryUKFUNDSJan22.pdf> and is available in English.

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

The index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Vanguard. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the index.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. The prospectus or the Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg"), or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices.

The products are not sponsored, endorsed, issued, sold or promoted by "Bloomberg." Bloomberg makes no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Indices to track general bond market performance. Bloomberg shall not pass on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Indices which are determined, composed and calculated by BISL without regard to Vanguard or the products or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products or the owners of the products into consideration in determining, composing or calculating the Bloomberg Indices. Bloomberg shall not be responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Bloomberg shall not have any obligation or liability in connection with the administration, marketing or trading of the products.

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

© 2022 Vanguard Asset Management Limited. All rights reserved.

Connect with Vanguard®
global.vanguard.com

Vanguard®