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 20 May 2019.

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 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.

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://global.vanguard.com/portal/site/loadPDF?country=global&docId=16407.

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 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.

Contents

Terms Used in this Document

'ACD'	**Vanguard Investments UK, Limited, the authorised corporate director of the Company;**
'Accumulation Shares'	**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;**
'Administrator and Registrar'	**both DST Financial Services Europe Limited and DST Financial Services International Limited or such other person or persons to whom the ACD may delegate such functions from time to time;**
'BACS'	**Bankers' Automated Clearing Services;**
'Business Day'	**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;**
'Class'	**all of the Shares relating to a single Fund or a particular class or classes of Shares relating to a single Fund;**
'COLL'	**refers to the appropriate chapter, section or rule in the COLL Sourcebook;**
'COLL Sourcebook'	**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;**
'Company'	**Vanguard LifeStrategy® Funds ICVC;**
'Custodian'	**State Street Bank and Trust Company or such other person to whom the Depositary may delegate the function of custody from time to time;**
'Cut-Off Time'	**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;**
'Dealing Day'	**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;**
'Depositary'	**State Street Trustees Limited, the depositary of the Company, or such other entity as is appointed to act as Depositary;**
'EEA'	**the European Economic Area;**
'EEA State'	**a member state of the EEA;**

'ESMA'	**the European Securities and Markets Authority;**
'EU'	**the European Union;**
Euro or '€'	**the European euro, the lawful currency of the Economic and Monetary Union of the EU from time to time;**
'FCA'	**the Financial Conduct Authority or any successor body thereto;**
'FCA Handbook'	**the FCA Handbook of rules and guidance, as amended from time to time;**
'FDI '	**financial derivative instruments;**
'FSMA'	**the Financial Services and Markets Act 2000;**
'Fund'	**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;**
'HMRC'	**HM Revenue & Customs;**
'Income Shares'	**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;**
'Instrument of Incorporation'	**the instrument of incorporation of the Company as amended from time to time;**
'Investment Adviser'	**Vanguard Global Advisers, LLC;**
'Member State'	**a member state of the EU;**
'MiFID II'	**means Directive 2014/65/EU on markets in financial instruments;**
'Net Asset Value or NAV'	**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;**
'OEIC Regulations'	**the Open-Ended Investment Companies Regulations 2001, as amended or re-enacted from time to time;**
'OTC derivative'	**an FDI dealt over-the-counter (off exchange);**
'Register'	**the register of Shareholders kept on behalf of the Company;**
'Regulations'	**the OEIC Regulations and the COLL Sourcebook;**
'Relevant Institution'	**a credit institution which is authorised in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;**

'Scheme Property'	**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;**
'SDRT'	**U.K. Stamp Duty Reserve Tax;**
'Share' or 'Shares'	**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);**
'Shareholder'	**a holder of registered Shares;**
'Sterling', '£' or 'GBP'	**U.K. pounds sterling, the lawful currency of the U.K.;**
'UCITS Directive'	**European Parliament and Council Directive No. 2009/65/EC of 13 July 2009 as amended;**
'UCITS Scheme'	**a collective investment scheme complying with the requirements of the UCITS Directive:**
'U.K.'	**the United Kingdom;**
'U.S.'	**the United States of America, its possessions and territories, including any state of the United States of America and the District of Columbia;**
'U.S. Person'	**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;**
'Valuation Point'	**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;**
'Vanguard Group of Companies'	**The group of companies of which The Vanguard Group, Inc. is the ultimate parent.**

Directory

Company's Head Office and Registered Office
4th Floor, The Walbrook Building
25 Walbrook
London EC4N 8AF
United Kingdom

Company's address for service of notices
P.O. Box 10315
Chelmsford CM99 2AT
United Kingdom

The Authorised Corporate Director
Vanguard Investments UK, Limited
4th Floor, The Walbrook Building
25 Walbrook
London EC4N 8AF
United Kingdom

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

Administrator and Registrar
DST Financial Services Europe Limited
and
DST Financial Services International Limited
St. Nicholas Lane
Basildon
Essex SS15 5FS
United Kingdom

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

Investment Adviser
Vanguard Global Advisers, LLC
P.O. Box 2600
Valley Forge, PA 19482
U.S.A.

The Company

General

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

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

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

The Company is a UCITS Scheme.

Further information

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 (ACD)

General

The Authorised Corporate Director (ACD) 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 4th 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:

- Nicholas Blake
- Sean Hagerty
- Cynthia Lui
- James Norris
- Frank Satterthwaite

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 (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 as the unit trust 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 UCITS V Directive (2014/91/EU), and is overseen by Vanguard's European Remuneration Committee.

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 throughhttps://global.vanguard.com/portal/site/portal/ucits-investment-information, 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; 4th Floor; The Walbrook Building; 25 Walbrook; London EC4N 8AF.

Investment Adviser

The Investment Adviser to the Funds is a private limited company incorporated in Pennsylvania, U.S. and it is part of the Vanguard Group of Companies. The Investment Adviser is registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser under the U.S. Investment Advisers Act of 1940. The Investment Adviser currently provides investment management and advisory services to collective investment schemes domiciled in the U.K. and Ireland as well as non-U.S. separate account clients.

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 Investment Adviser provides its services under the terms of an investment advisory agreement between the ACD and Vanguard Group, Inc (the former investment adviser) dated 16 June 2011 (the "Advisory Agreement") pursuant to a novation and amendment agreement between the ACD, Vanguard Group, Inc and the Investment Adviser, dated 2 January 2018 and effective 15 January 2018. 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 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, and such sub-advisers are remunerated by the Investment Adviser out of its own fee.

The Administrator and Registrar

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

General

The Company's Depositary is a private limited company incorporated in England and Wales. Its registered office is at 20 Churchill Place, London E14 5HJ and its head office is at Quartermile 3,, 10 Nightingale Way, Edinburgh, EH3 9EG. 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 (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 the Regulations;

(ii) ensuring that the value of the Shares is calculated in accordance with the Regulations;

(iii) carrying out the instructions of the ACD unless they conflict with the Regulations.

(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 the Regulations;

(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.

Depositary's liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, 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 UCITS Directive.

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 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 UCITS Directive.

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 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 securities 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.

In connection with the above activities, 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 are 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;

(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

(v) may be granted creditors' rights by the Company, which it may exercise.

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.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential 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 and not as Depositary.

The ACD may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

(i) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives, and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(iii) 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

(iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

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

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 and the Depositary / depositary issues 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 to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

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 Auditors

The auditors of the Company are PricewaterhouseCoopers LLP.

General

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:

(a) 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

(b) 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. 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

The Company is categorised as a UCITS Scheme and is structured as an umbrella company (under the OEIC Regulations), meaning that different Funds 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.

Vanguard Target Retirement Funds

The Vanguard Target Retirement Funds offer a managed solution for savers seeking a retirement-based approach to investing. The Target Retirement Funds are designed generally with the objective of achieving capital growth, together with some income returns, for investors planning to retire during or within approximately five years after a particular year (the target year).

The names of the Target Retirement Funds indicate, in each case, the earliest expected year of retirement. Once a likely retirement year has been determined, an individual may consider choosing a Target Retirement Fund whose target year is close to that date. The Target Retirement Fund range is designed for investors who plan to withdraw the value of their holdings over a period of many years after the applicable target year.

Appendix 1 states the initial strategic asset allocation of each Target Retirement Fund. As the target year approaches and is passed, the Fund will aim to produce more income and to reduce volatility by gradually shifting its emphasis away from equities and towards fixed income investments, in order to protect the Fund's value and to provide investors with a lower risk portfolio during the early years of retirement. It is anticipated that, by seven years after the target year is reached, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equities.

The Target Retirement Funds do not provide a guaranteed level of income, nor can they ensure that an investor will have sufficient assets to cover their retirement expenses or that they will have saved enough to be able to retire in the relevant target year. That will depend on the amount of money invested, the length of time for which the investment is held, the returns from the markets over time, the amount which the investor spends in retirement, and their other assets and income sources.

The Target Retirement Funds will invest mainly in index-tracker funds managed by the ACD or associates within the Vanguard Group of Companies. The Investment Adviser may change the selection of the underlying funds or the allocation of assets to those funds at any time without notifying investors. The asset allocations will be geared towards the average investor. An investor who wishes to take on less (or more) risk may do so by choosing a Target Retirement Fund with a target date earlier (or later) than their expected retirement date.

Investment objectives and policies of the Funds

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 UCITS Scheme, 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

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 specify, a Fund may not be leveraged in excess of 100% of its Net Asset Value.

Profile of a typical investor in the Funds

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.

Shares

Classes of Shares

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 with the approval of the FCA, 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

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 a relevant Fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Allocation

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

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.

Gross Paying Shares

Gross paying Shares may be available in certain Funds. In accordance with UK tax law, the income allocated to such Shares is distributed periodically to the Shareholders (in the case of gross paying Income Shares) or added periodically to capital (in the case of gross paying Accumulation Shares) without deduction of any income tax.

Switching

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

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

Requests to deal in Shares may be made at the dealing office of the Administrator and Registrar, which is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each Dealing Day in respect of a Fund. The Administrator and Registrar may vary these times at its discretion.

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). 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.

In addition, the Administrator and Registrar may from time to time, at its discretion, make arrangements to allow Shares to be purchased or redeemed on-line or through other communication media.

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

Money Laundering Prevention

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

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 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

Shares may be purchased directly from the Administrator and Registrar or through a professional adviser or other intermediary. Application forms may be obtained from the Administrator and Registrar. 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

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

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-ten thousandth of a whole Share (or to four decimal places).

Documents the Applicant will receive

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

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

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

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

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

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:

(a) any redemption charge permitted; and

(b) 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

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

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:

(a) 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

(b) the Valuation Point of the relevant Fund at which the price for the redemption was determined.

Deferred redemption

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

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.

Instructions for switching or 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.

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 conversion 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.

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.

Governing Law

All deals in Shares are governed by English law.

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

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:

(a) 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

(b) 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

(c) 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

(d) 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

(e) subject to (a) through (d) 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 organised 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

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:

(a) value the property of all or any of the Funds at an alternative time on any day; and

(b) 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

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 underlying funds 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

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:

(a) where necessary for the purposes of effecting a scheme of reconstruction or amalgamation; or

(b) on the day on which the annual or half-yearly accounting period ends.

Share Prices

Pricing basis

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

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

Daily prices for each Fund of the Company will be published on www.vanguard.co.uk 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 (ie 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

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

The figures below refer to the past. 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.

	Annual Percentage Growth Rates (12-month periods to 31 July)				
Fund and Class	**2014**	**2015**	**2016**	**2017**	**2018**
Vanguard LifeStrategy® 20% Equity Fund – A GBP Gross Income*	3.93%	6.65%	10.12%	2.10%	2.63%
Vanguard LifeStrategy® 20% Equity Fund – A GBP Gross Accumulation*	3.96%	6.64%	10.14%	2.11%	2.61%
Vanguard LifeStrategy® 40% Equity Fund – A GBP Income	4.15%	7.81%	11.42%	5.83%	4.58%
Vanguard LifeStrategy® 40% Equity Fund – A GBP Accumulation	4.15%	7.81%	11.42%	5.83%	4.58%
Vanguard LifeStrategy® 60% Equity Fund – A GBP Income	4.24%	8.96%	12.47%	9.62%	6.87%
Vanguard LifeStrategy® 60% Equity Fund – A GBP Accumulation	4.24%	8.98%	12.46%	9.62%	6.88%
Vanguard LifeStrategy® 80% Equity Fund – A GBP Income	4.35%	9.97%	13.44%	13.46%	9.09%
Vanguard LifeStrategy® 80% Equity Fund – A GBP Accumulation	4.35%	9.98%	13.43%	13.46%	9.09%
Vanguard LifeStrategy® 100% Equity Fund – A GBP Income	4.52%	10.92%	14.37%	17.42%	11.31%
Vanguard LifeStrategy® 100% Equity Fund – A GBP Accumulation	4.52%	10.92%	14.37%	17.42%	11.30%
Vanguard Target Retirement 2015 Fund – A GBP Accumulation				7.05%	4.59%
Vanguard Target Retirement 2020 Fund – A GBP Accumulation				8.85%	6.04%

Vanguard Target Retirement 2025 Fund – A GBP Accumulation	9.86%	6.92%
Vanguard Target Retirement 2030 Fund – A GBP Accumulation	10.95%	7.49%
Vanguard Target Retirement 2035 Fund – A GBP Accumulation	11.70%	8.07%
Vanguard Target Retirement 2040 Fund – A GBP Accumulation	12.71%	8.63%
Vanguard Target Retirement 2045 Fund – A GBP Accumulation	13.07%	8.98%
Vanguard Target Retirement 2050 Fund – A GBP Accumulation	13.13%	8.96%
Vanguard Target Retirement 2055 Fund – A GBP Accumulation	13.11%	8.96%

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 periods only.

* Shares in Vanguard LifeStrategy 20% Equity Fund became gross paying Shares on 1 February 2017.

The Vanguard Target Retirement 2060 Fund and the Vanguard Target Retirement 2065 Fund were both launched on 5 December 2017 and therefore no applicable performance data exists yet for those Funds.

Note: the Company was a Non-UCITS Retail Scheme ("NURS") until 31 January 2014, when it converted into a UCITS Scheme. The performance shown above was therefore partially achieved under circumstances which no longer apply. In particular, the relevant Funds were subject to broader investment powers while the Company was a NURS.

Stock market risk

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

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.

Investment style risk

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

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

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

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

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

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

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.

Financial Derivative Instruments ("FDI") risk

The Funds may employ certain FDI 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 FDI 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 FDI:

- **Correlation risk.** Although the ACD believes that taking exposure to underlying assets through the use of FDI 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 FDI 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.** FDI 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 FDI itself, without the benefit of observing the performance of the FDI under all possible market conditions.

- **Credit risk.** The use of FDI involves 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 significant change in the value of the FDI because of market conditions, the collateral posted by the counterparty would not be sufficient to cover the counterparty's obligations under the FDI, 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 FDI, 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 FDI 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 FDI 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 FDI 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 FDI 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 FDI itself. The Company's Funds are managed on a non-geared basis unless otherwise specified for any Fund in Appendix 1.
- **Market risk.** Like most other investments, FDI 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 FDI 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 FDI 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 FDI are generally established through negotiation between the parties thereto. While therefore more flexible, OTC FDI 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 FDI 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 FDI 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 FDI. 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 FDI is evolving, and changes in the regulation or taxation of FDI 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 FDI. 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

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 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.

Securities lending arrangements risk

Counterparty risk: Counterparty risk exists when a Fund may be exposed to credit risk on the counterparties with which it makes securities lending arrangements. The risk is that the borrower of securities will default on its obligation to return the securities, which could result in losses to the Company and the relevant Fund. Borrowers are therefore required to provide collateral in the form of cash or securities to protect the Company against the risk of default.

The Company maintains collateralisation policies to mitigate counterparty risk, including the following:

- ensuring that the value of the collateral required exceeds the market value of securities on loan for each security loan entered into by the Company;
- collateral is posted, or received, on a daily basis, based on changes in the market value of each security loan, to ensure that the value of the collateral held exceeds the market value of the securities on loan; and
- in the event of counterparty default, the collateral held is immediately available to the Company (without recourse) and it will be used to buy the securities lent but not returned.

While the Funds engage in conservative collateralisation policies intended to ensure that all securities lending is fully collateralised, to the extent that any securities lending is not fully collateralised (for example, due to timing lags associated with the posting of cash collateral), a Fund will have a credit risk exposure to the counterparty of a securities lending contract.

Additional risk mitigation against counterparty default is provided through: (i) contractual protections in the event of default of a counterparty; and (ii) ongoing monitoring of the creditworthiness of counterparties.

Collateral reinvestment risk: the risk that collateral cash 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 it is obliged to return collateral equivalent to the value of the returned security. In order to manage this risk, the Company reinvests cash collateral in accordance with the guidelines set out in Appendix 4.

It is important to understand that, when a securities lending contract is entered into, the lender has the ability to recall the loan at any time, and the borrower has the ability to return the security to the lender at any time. To the extent that collateral may need to be returned at any time, it is important that the collateral be available to return to the securities borrower. The Company maintains collateral reinvestment policies to mitigate this risk. These policies aim to preserve collateral capital and provide sufficient liquidity for the Company to: (i) fund redemption orders; and (ii) return collateral to borrowers who return the loaned securities.

Conflict of interest risk: the Company does not enter into securities lending transactions with any entities within the Vanguard Group of Companies.

Charges to capital

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 may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth and/or result in an erosion of capital. Details of whether charges are made to capital or income for each Fund are set out in Appendix 1 of this Prospectus.

Suspension of dealings in Shares

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

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

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.

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

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

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

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 Charge
The ACD does not currently charge Shareholder's 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 underlying funds. 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 underlying funds is managed or operated by the ACD or an associate of the ACD.

Other expenses

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:

(a) 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;

(b) interest on borrowing; and

(c) 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

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

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 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

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

All charges and expenses payable by the Company are allocated between capital and income in accordance with the Regulations. The approach for a given Fund is set out in Appendix 1. If deductions are made from capital, this will result in capital erosion and will constrain growth.

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

The annual accounting period of the Company ends each year on 31 March (the accounting reference date), and the Company's first accounting period ended on 31 March 2012. The interim accounting period ends each year on 30 September, and the Company's first interim accounting period ended on 30 September 2012. Certain Funds may have additional interim accounting periods within each annual accounting period (see **Appendix 1**).

Income allocations

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, and the Company's first annual income allocation date was 31 May 2012. 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:

(a) taking the aggregate of the income received or receivable for the account of the relevant Fund for the accounting period;

(b) deducting the charges and expenses of the Fund paid or payable out of income where appropriate for that accounting period and

(c) 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

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

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. 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

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 20% on some other types of income but after deducting allowable management expenses and (where relevant) the gross amount of any interest distributions. In addition, where a Fund suffers foreign tax on income received, 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

Income

Where a Fund makes dividend distributions (which will be automatically retained in the Fund in the case of Accumulation Shares), U.K. individual taxpayers should be eligible for a tax-free allowance on dividends totalling up to £2,000.

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). 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 but excluding tax credit). These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

Foreign Account Tax Compliance Act

The U.S. Foreign Account Tax Compliance Act (“FATCA”), effective 1 July 2014, requires reporting of U.S. Persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to the U.S. Internal Revenue Service (“IRS”). FATCA refers to sections 1471 to 1474 of the U.S. Internal Revenue Code and the regulations and other guidance thereunder, each as amended from time to time, or any other agreement entered into with or between authorities for the implementation of FATCA. As an alternative to FATCA, pursuant to an inter-governmental agreement between the U.S. and U.K. signed on 12 September 2012 (“IGA”), a Fund may be deemed compliant if it identifies and reports U.S. investors to the U.K. government.

The Company is FATCA-compliant. 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. Investors that are 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 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

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. This follows the carrying into law of a 2014 EU Directive extending international cooperation in the field of taxation.

The CRS regime, which was proposed by the Organisation for Economic Cooperation and Development ("OECD"), generalises the automatic exchange of information within the EU from 1 January 2016. Under the adopted provisions, the ACD may be required to report certain information relating to Shareholders (including identity and tax residency), and details of income and redemption proceeds received by Shareholders in respect of their Shares. This information may be shared with tax authorities in other EU member states and 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

The Fund's investment objective is to achieve income and/or capital returns through exposure to a diversified notional portfolio comprised of approximately:

i. 20% by value of equity securities; and

ii 80% by value of fixed income securities.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index-tracking collective investment schemes which are managed or operated by the ACD or its associates ("Associated Schemes").

It is intended that the Fund's notional exposures (through its investment in Associated Schemes) to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures. Whilst the Fund will seek broadly to maintain the relative sizes of its fixed income and equity notional exposures at the stated levels, the identity and proportion of the particular indices, securities and/or markets, etc. to which the Fund is exposed will be at the discretion of the Investment Adviser taking into account aspects of those schemes considered to be relevant to maintain exposure to a diversified notional portfolio. The stated levels of exposure may from time to time fluctuate in response to fluctuations in the market capitalisations or market values of the indices tracked by the Associated Schemes in which the Fund is invested.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on: https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP Gross**
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September*
Annual Income Allocation Date	31 May*
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**646320**

* In 2017 there was an additional one-off interim accounting date of 31 January 2017 and an additional one-off interim allocation date of 31 March 2017 in order to accommodate a change in tax law, as previously notified to Shareholders.

Vanguard LifeStrategy® 40% Equity Fund

Investment objective

The Fund's investment objective is to achieve income and/or capital returns through exposure to a diversified notional portfolio comprised of approximately:

i. 40% by value of equity securities; and

ii. 60% by value of fixed income securities.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index-tracking collective investment schemes which are managed or operated by the ACD or its associates ("Associated Schemes").

It is intended that the Fund's notional exposures (through its investment in Associated Schemes) to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures. Whilst the Fund will seek broadly to maintain the relative sizes of its fixed income and equity notional exposures at the stated levels, the identity and proportion of the particular indices, securities and/or markets, etc. to which the Fund is exposed will be at the discretion of the Investment Adviser taking into account aspects of those schemes considered to be relevant to maintain exposure to a diversified notional portfolio. The stated levels of exposure may from time to time fluctuate in response to fluctuations in the market capitalisations or market values of the indices tracked by the Associated Schemes in which the Fund is invested.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**646321**

Vanguard LifeStrategy® 60% Equity Fund

Investment objective

The Fund's investment objective is to achieve income and/or capital returns through exposure to a diversified notional portfolio comprised of approximately:

i 60% by value of equity securities; and

ii 40% by value of fixed income securities.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index-tracking collective investment schemes which are managed or operated by the ACD or its associates ("Associated Schemes").

It is intended that the Fund's notional exposures (through its investment in Associated Schemes) to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures. Whilst the Fund will seek broadly to maintain the relative sizes of its fixed income and equity notional exposures at the stated levels, the identity and proportion of the particular indices, securities and/or markets, etc. to which the Fund is exposed will be at the discretion of the Investment Adviser taking into account aspects of those schemes considered to be relevant to maintain exposure to a diversified notional portfolio. The stated levels of exposure may from time to time fluctuate in response to fluctuations in the market capitalisations or market values of the indices tracked by the Associated Schemes in which the Fund is invested.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627

Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**646322**

Vanguard LifeStrategy® 80% Equity Fund

Investment objective

The Fund's investment objective is to achieve income and/or capital returns through exposure to a diversified notional portfolio comprised of approximately:

i 80% by value of equity securities; and

ii 20% by value of fixed income securities.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index-tracking collective investment schemes which are managed or operated by the ACD or its associates ("Associated Schemes").

It is intended that the Fund's notional exposures (through its investment in Associated Schemes) to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures. Whilst the Fund will seek broadly to maintain the relative sizes of its fixed income and equity notional exposures at the stated levels, the identity and proportion of the particular indices, securities and/or markets, etc. to which the Fund is exposed will be at the discretion of the Investment Adviser taking into account aspects of those schemes considered to be relevant to maintain exposure to a diversified notional portfolio. The stated levels of exposure may from time to time fluctuate in response to fluctuations in the market capitalisations or market values of the indices tracked by the Associated Schemes in which the Fund is invested.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**646323**

Vanguard LifeStrategy® 100% Equity Fund

Investment objective

The Fund's investment objective is to achieve income and/or capital returns through exposure to a diversified notional portfolio comprised of approximately 100% by value of equity securities.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

It is intended that the Fund's notional exposure to equity securities (through its investment in Associated Schemes) will be to: (a) UK equities (which will generally form one of the largest single country equity exposures); and (b) non UK-equities, including emerging markets. Whilst the Fund will seek broadly to maintain the equity notional exposure at the stated level, the identity and proportion of the particular indices, securities and/or markets, etc. to which the Fund is exposed will be at the discretion of the Investment Adviser taking into account aspects of those schemes considered to be relevant to maintain exposure to a diversified notional portfolio. The stated levels of exposure may from time to time fluctuate in response to fluctuations in the market capitalisations or market values of the indices tracked by the Associated Schemes in which the Fund is invested.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Both
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.22% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**646324**

Vanguard Target Retirement 2015 Fund

Investment objective

The Fund's investment objective is to achieve income returns and some capital growth for investors planning to retire in or within approximately five years after 2015.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 50% by value of equity securities and 50% by value of fixed income securities. The Fund's strategic asset allocation will gradually become more conservative by increasing the weighting of lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2015, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730091**

Vanguard Target Retirement 2020 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2020.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 60% by value of equity securities and 40% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2020, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730092**

Vanguard Target Retirement 2025 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2025.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 65% by value of equity securities and 35% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2025, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730093**

Vanguard Target Retirement 2030 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2030.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 70% by value of equity securities and 30% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2030, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730094**

Vanguard Target Retirement 2035 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2035.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 75% by value of equity securities and 25% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2035, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730095**

Vanguard Target Retirement 2040 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2040.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 80% by value of equity securities and 20% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2040, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730096**

Vanguard Target Retirement 2045 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2045.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 80% by value of equity securities and 20% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2045, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730097**

Vanguard Target Retirement 2050 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2050.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 80% by value of equity securities and 20% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2050, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730098**

Vanguard Target Retirement 2055 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2055.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 80% by value of equity securities and 20% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2055, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**730099**

Vanguard Target Retirement 2060 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2060.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 80% by value of equity securities and 20% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2060, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**796198**

Vanguard Target Retirement 2065 Fund

Investment objective

The Fund's investment objective is to achieve capital growth and, consistent with a gradually changing asset allocation, income returns for investors planning to retire in or within approximately five years after 2065.

Investment policy

The Fund will seek to achieve its investment objective predominantly through investment in passive, index tracking collective investment schemes, which are managed or operated by the ACD or its associates ("Associated Schemes").

The Fund will have exposure (through its investment in Associated Schemes) to a wide range of countries and asset classes, including equities, bonds and other fixed income securities, and money market instruments. It is intended that the Fund's exposures to: (1) equity securities will be to UK equities and non-UK equities, including emerging markets; and (2) to fixed income securities will be to Sterling-denominated securities (including gilts, index-linked gilts and UK investment-grade bonds) and to non-Sterling-denominated securities. In the case of both equities and fixed income securities, the UK will generally form one of the largest single country exposures.

The Fund may also invest directly in transferable securities (which will generally be component securities of indices tracked by Associated Schemes in which the Fund is invested), money market instruments and deposits.

For efficient portfolio management or hedging purposes, including to help the Fund stay fully invested and to reduce transaction costs, the Fund may invest, to a limited extent, in derivatives, including (without limitation) futures, forward currency exchange contracts and swaps. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency) or a market index. The Fund will not use derivatives for speculative purposes, and only a limited percentage of its assets is committed to them. The Fund may also use certain techniques and instruments in accordance with the limits and conditions specified under **"Portfolio Investment Techniques"** in **Appendix 4**.

Initially, the Fund's portfolio will be comprised of approximately 80% by value of equity securities and 20% by value of fixed income securities. 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 (equity) to mainly lower risk (fixed income) investments, with the aim of reducing volatility and the risk of capital erosion. It is anticipated that, within seven years after 2065, the Fund will have a stable asset allocation comprised of approximately 70% fixed income securities and 30% equity securities.

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.

Fund details

Dealing Day	Each Business Day will be a Dealing Day except that, any day when (i) collective investment schemes in which the Fund invests are not open for dealing or (ii) markets relevant to other securities in which the Fund invests are closed, and as a result of which 25% or more, in aggregate, of the collective investment schemes and securities in which the Fund invests are not open for dealing or may not be traded, shall not be a Dealing Day. However, each Fund will have at least one Dealing Day per fortnight. The Dealing Days for each Fund are available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11627
Valuation point	9 p.m. (London time)
Cut-off time	10.00 a.m. (London time)
Classes of Shares	**A GBP**
Income or Accumulation	Accumulation
Currency of Denomination	GBP
Minimum Investment	£100,000
Minimum Holding	£75,000
Minimum Subsequent Investment	None
Charges	
Preliminary Charge	None
Redemption Charge	None
Conversion Charge	None
Switching Charge	None
Management Charge Charged to	0.24% Income
Accounting periods and income allocation dates	
Annual Accounting Period	31 March
Interim Accounting Period	30 September
Annual Income Allocation Date	31 May
Grouping Periods for Income Equalisation	Annual
FCA Product Reference Number	**796199**

Appendix 2: Valuation

Calculation of the net asset value

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

The investment objectives and policies of the Funds, as set out in Appendix 1, are subject to the limits on investment for UCITS Schemes 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. Transferable Securities

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

(i) admitted to or dealt in on an eligible market; or

(ii) 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.

Each Fund may invest up to 10 per cent. of its net asset value in aggregate in transferable securities not falling within (i) or (ii) above and approved money market instruments not admitted to or dealt in on an eligible market (described under "Approved Money Market Instruments" below).

Eligible markets for the Funds are explained and set out under Section 17 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.

3. Government and Public Securities

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

4. Risk Management

The ACD applies a risk management process enabling it to monitor and measure at all times the risk associated with a Fund's positions and their contribution to the overall risk profile of the property of the Fund and to the Scheme Property.

The following details of the risk management process must be notified regularly by the ACD to the FCA, and at least on an annual basis:

(a) a true and fair view of the types of derivatives and forward transactions to be used within a Fund, together with their underlying risks and any relevant quantitive limits; and

(b) the methods for estimating risks in derivatives and forward transactions.

An investor may obtain on request from the ACD details of the quantitative limits and methods used in applying the risk management of each Fund as well as any recent developments in the risks and yields of the main categories of investment of the Funds.

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:

(a) no more than 20 per cent. in value of the Fund may consist of the units of any single collective investment scheme;

(b) the collective investment schemes into which the Fund invests are:

(i) UCITS Schemes; or

(ii) non-UCITS retail schemes (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or

(iii) recognised schemes under the provisions of section 272 of the Act (Individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or

(iv) schemes authorised in an EEA State, provided the requirements of Article 50(1)(e) of the UCITS Directive are met; or

(v) schemes authorised by the competent authority of an OECD member country (other than an EEA State) which has signed the IOSCO Multilateral Memorandum of Understanding and approved the scheme's management company, rules and depositary/custody arrangements (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); and

provided that the scheme invested in must have terms which prohibit more than 10 per cent. in value of the property of that scheme consisting of units or shares in other collective investment schemes.

Whilst investment may be made in schemes in any of the categories mentioned in paragraphs (b) (i) to (b) (v) above, not more than 30 per cent. in value of a Fund may be invested in schemes which are within paragraphs (b) (ii) to (b) (v).

Where a scheme invested in is a sub-fund of an umbrella scheme, 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.

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 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 or SDRT provision 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. Approved Money Market Instruments

Each Fund may invest, where this is specifically stated in its investment objective and policy, in the following approved money market instruments (as defined for the purposes of the COLL Sourcebook):

(a) approved money market instruments admitted to or dealt in on an eligible market; or

(b) other approved money market instruments where the issue or issuer is regulated for the purpose of protecting investors and savings which are:

  (i) issued or guaranteed by a central, regional or local authority or central bank of an EEA State, the European Central Bank, the EU or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong;

  (ii) issued by a body, any securities of which are dealt in on an eligible market; or

  (iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by EU law or an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by EU law.

Each Fund may invest up to 10 per cent. of its net asset value in aggregate in approved money market instruments not falling within (a) or (b) above and transferable securities that are not admitted to or dealt in on an eligible market and recently issued transferable securities (as described under “Transferable Securities” above).

Eligible markets for the Funds are explained and set out under Section 17 below headed “Eligible Markets for Funds”.

8. 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.

9. Ancillary Liquid Assets – Cash and Near Cash

The property of each Fund 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 property of each Fund may consist of cash and near cash without limitation.

10. Financial Derivative Instruments ("FDI")

The ACD has the power to buy and sell FDI both on exchange and off exchange, in all Funds to the extent permitted by the Regulations and as set out below.

Where a Fund invests in FDI, the exposure to the underlying assets must not exceed the spread limits set out in Sections 3 and 11. These limits do not apply to index-based FDI where, provided the composition of the relevant index is sufficiently diversified, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. The underlying constituents of the index do not have to be taken into account for the purposes of the spread limits. The ACD must continue to ensure a prudent spread of risk.

An FDI transaction must have underlying assets consisting of any one or more of the investments permitted in this Appendix 3 but may also include financial indices.

An FDI transaction which will or may lead to the delivery of the underlying asset for the account of the Fund may be entered into only if that asset can be held for the account of the Fund, and the ACD, having taken reasonable care, determines that delivery of the asset under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

An FDI transaction must not cause a Fund to diverge from its investment objectives as stated in this Prospectus and must not be effected if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes or derivatives.

Any forward transaction must be with an Eligible Institution or an Approved Bank (as those terms are defined in the FCA Handbook).

Where a transferable security or approved money market instrument embeds an FDI, this must be taken into account for the purposes of complying with the rules in the COLL Sourcebook on derivatives and forward transactions.

When using FDI, the ACD will employ its risk management process as set out in Section 4.

10.1 Use of FDI for Efficient Portfolio Management

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

Where permitted pursuant to the investment objective and policy of a Fund, each Fund may use FDI 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 FDI for efficient portfolio management or hedging purposes, but not for purposes of investment.

10.3 FDI Dealt on Exchange

Any FDI transaction entered into on an exchange must be effected on or under the rules of an eligible derivatives market.

10.4 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 a counterparty which is an Eligible Institution or an Approved Bank (as defined in the FCA Handbook) or which is authorised by the FCA or its home state regulator to enter into transactions as principal off exchange;

(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 Depositary 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 Depositary 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.

The maximum exposure under an OTC derivative contract to any one counterparty is 5 per cent. of a Fund's assets (10 per cent. where the counterparty is an Approved Bank (as defined in the FCA Handbook)). The OTC derivatives exposure to a counterparty may be reduced to the extent that acceptable collateral is held in respect of it. See Appendix 4 for details regarding collateral.

OTC derivative positions with the same counterparty may be netted, provided the ACD is able legally to enforce netting agreements with the counterparty on behalf of the Fund and these netting agreements do not apply to any other exposures the Fund may have with that same counterparty.

10.5 Cover and Exposure

The ACD must ensure that the global exposure relating to FDI 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 FDI positions.

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 FDI 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 FDI transaction into the market value of an equivalent position in the underlying asset of that FDI transaction (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;
(c) where the use of FDI transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation; and
(d) temporary borrowing arrangements entered into on behalf of the Fund in accordance with the COLL Sourcebook (as set out in Section 12 below) need not form part of the global exposure.

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 properly represented by another financial instrument and the underlying instrument is liquid or the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the property of a Fund which is also 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) For the purposes of this Section 11, companies included in the same group for the purposes of consolidated accounts as defined in accordance with the Seventh Council Directive 82/349/EEC of 13 June 1983 based on Article 54(3)(g) of the Treaty on consolidated accounts or companies included in the same group in accordance with international accounting standards, are regarded as a single body.

(b) Not more than 20 per cent. in value of the property of each Fund is to consist of deposits with a single body.

(c) Not more than 5 per cent. in value of the property of each Fund is to consist of Transferable Securities (as defined in the COLL Sourcebook) or approved money market instruments issued by any single body.

(d) The limit of 5 per cent. in (b) is raised to 10 per cent. in respect of up to 40 per cent. in value of the property of each Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40 per cent.

(e) The limit of 5 per cent. in (b) is raised to 25 per cent. in value of the property of each Fund in respect of covered bonds, provided that when a Fund invests more than 5 per cent. in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80 per cent. in value of the property of the Fund.

(f) 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.

(g) The exposure to any one counterparty in an OTC derivatives transaction must not exceed 5 per cent. in value of the property of each Fund. This limit is raised to 10 per cent. where the counterparty is an Approved Bank (as defined in the FCA Handbook).

(h) Not more than 20 per cent. in value of the property of each Fund is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in (a)).

(g) Not more than 20 per cent. in value of the property of each Fund is to consist of the units of any one collective investment scheme.

In applying the limits in (b), (c), (d), (f) and (g) in relation to a single body, and subject to (e), not more than 20 per cent in value of the property of a Fund is to consist of any combination of two or more of the following:

(i) transferable securities (including covered bonds) or approved money market instruments issued by that body; or

(ii) deposits made with that body; or

(iii) exposures from off-exchange derivatives transactions made with that body. In applying the 20 per cent limit with respect to a single body, government and public securities issued by that body must be taken into account.

None of the preceding limits apply to government and public securities, as to which see Section 3 above.

12. Concentration

Each Fund must not acquire:

• transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them and

represent more than 10 per cent of those securities issued by that body corporate;
• more than 10 per cent of the debt securities issued by any single body;
• more than 25 per cent of the units or shares of another single collective investment scheme;
• more than 10 per cent of the approved money market instruments issued by any single body.

However, a Fund need not comply with the above stated limits if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

13. 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 property of the Fund.

Borrowing must be on a temporary basis, must not be persistent and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis. The ACD must ensure that borrowing does not, on any business day, exceed 10 per cent. of the value of the property of each Fund.

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 LifeStrategy® Funds of the Company, and certain other funds managed within the Vanguard Group of Companies, participate in a US$3.1 billion committed credit facility (“Facility”) provided by a syndicate of lenders pursuant to a credit agreement which may be renewed annually. Each Fund of the Company 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 0.10% 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 LIBOR 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.

14. Stocklending

The Company, or the Depositary at the Company’s request, may engage in stocklending for any or all of the Funds. Such activity will be 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 property of a Fund which may be the subject of stocklending transactions.

For more information on stock lending, please refer to the “Securities lending arrangements risk” section under “Risk Factors” and to Appendix 4.

15. Exchange Traded Funds

Investment may be made by each Fund in exchange traded funds. The ACD will consider each investment in exchange traded funds on an individual basis to determine how the investment should be categorised. Generally, an investment in open-ended exchange traded funds will be categorised as an investment in collective investment schemes and any investment in closed- ended exchange traded funds will be categorised as an investment in transferable securities.

16. Interests in Immovable Property and Tangible Movable Property

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

17. 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 10% 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 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 any EEA State; or

(c) one of the additional securities or derivatives markets, as set out below, which the ACD, after consultation with the Depositary, has decided is appropriate for the purpose of investment of or dealing in the property of the Fund.

Additional Eligible Securities Markets:

- Australia –

  – Australian Stock Exchange Main Board
- Brazil –

  – BM & F BOVESPA S.A.
- Canada –

  – Toronto Stock Exchange Official List
- Chile –

  – Santiago Stock Exchange
- China –

  – Shanghai Stock Exchange; Shenzhen Stock Exchange
- Columbia –

  – Bolsa de Valores de Colombia
- Egypt –

  – Cairo Stock Exchange; Alexandria Stock Exchange
- Hong Kong –

  – Hong Kong Stock Exchange
  Hong Kong Total Main Market
- India –

  – The Bombay Stock Exchange; National Stock Exchange
- Indonesia –

  – Indonesia Stock Exchange (Bursa Efek Indonesia)
- Israel –

  – Tel Aviv Stock Exchange Official Market
- Japan –

  – The Stock Exchanges in Osaka and Tokyo, including JASDAQ
- Malaysia –

  – Bursa Malaysia BHD
- Mexico –

  – The Mexican Stock Exchange (Bolsa Mexicana de Valores)
- Morocco –

  – The Casablanca Stock Exchange (Bourse de Casablanca)
- New Zealand –

  – New Zealand Stock Exchange
- Peru –

  – Lima Stock Exchange (Bolsa de Valores de Lima)
- Philippines –

  – Philippines Stock Exchange
- Qatar –

  – Qatar Exchange
- Russia –

  – Moscow Exchange
- Singapore –

  – Singapore Stock Exchange Main Board; Catalist

- South Africa –
  – The Johannesburg Stock Exchange
- South Korea –
  – Korea Stock Exchange
  – KOSDAQ
- Switzerland –
  – Swiss Stock Exchange (Swiss Exchange via the Electronic Bourse Switzerland) Main Market
- Taiwan –
  – The Taiwan Stock Exchange Corp
- Thailand –
  – The Stock Exchange of Thailand
- Turkey –
  – Istanbul Stock Exchange (Borsa Istanbul)
- UAE –
  – NASDAQ Dubai; Dubai Financial Markets; Abu Dhabi Securities Market
- U.S. –
  – New York Stock Exchange
  – NASDAQ

Additional Eligible Derivatives Markets:

- ASX Trade24
- Bolsa de Mercadorias e Futoros
- Bursa Malaysia
- CBOE Futures Exchange
- Chicago Board of Trade
- Chicago Mercantile Exchange
- China Financial Futures Exchange
- Eurex (Germany, Zurich)
- Hong Kong Futures Exchange
- ICE Futures U.S.
- Korea Exchange
- Mercado Mexicana de Derivados
- Montreal Stock Exchange
- NASDAQ
- National Stock Exchange of India
- NYSE Euronext (inc. NYSE Liffe and NYSE Liffe US)
- Russian Trading System
- The Singapore Exchange
- South African Futures Exchange
- Taiwan Futures Exchange
- Thailand Futures Exchange
- Turkish Derivatives Exchange
- Tokyo Stock Exchange

Additional eligible markets may be added for a Fund (by appearing in a supplement to, or an updated version of, this Prospectus) and markets will only be transacted on for a Fund if:

(a) the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of the relevant Fund and the Depositary agrees in writing that the addition is of minimal significance to the investment strategy of the Fund; and

(b) the Depositary has taken reasonable care to determine that: (a) adequate custody arrangements can be provided for the investment dealt in on that market; and (b) the ACD has taken all reasonable steps in considering the eligibility of that market.

However, a market will not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

Notice of any changes to the eligible markets in relation to a Fund will be dealt with in accordance with the COLL Sourcebook.

Appendix 4: Portfolio Investment Techniques

General

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 and forward contracts, repurchase and reverse repurchase agreements and securities 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 ("FDI") 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 an appropriate level of risk 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 stated investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

The aim of reducing risk or cost will allow the ACD to enter into exposures on permissible assets or currencies by using FDI as an alternative to selling or purchasing the underlying assets or currencies. These exposures may continue for as long as the ACD considers that the use of FDI continues to meet the original aim.

The aim of generating additional capital or income allows the ACD to write options on existing assets where it considers the transaction will result in the Fund deriving a benefit, even if the benefit obtained results in surrendering the chance of greater benefit in the future.

The aim of generating additional capital allows the ACD to take advantage of any pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights relating to assets the same as, or equivalent to which, the Fund holds or may hold.

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.

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 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 counterparty 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.

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. The Company's sole stock lending agent is JP Morgan Chase Bank N.A. (London Branch). As noted above, all other counterparties to Portfolio Investment Techniques shall be disclosed in the Company's annual report.

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 FDI; that is, the total exposure of a Fund, including but not limited to its exposure from the use of any FDI, shall not exceed the total net assets of the Fund. FDI 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

A Fund may enter into repurchase agreements, reverse repurchase agreements, and stock lending arrangements for the purposes of efficient portfolio management. Under a 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 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 repurchase agreement. 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. Under a reverse repurchase agreement, the Fund sells a security and agrees to repurchase it at a mutually agreed date and price. Under stock lending arrangements, a Fund lends its securities to brokers, dealers and other financial institutions.

A Fund may only enter into repo contracts and stock lending arrangements with counterparties which have a minimum credit rating of A2 or equivalent, or will be deemed by the Company to have an implied rating of A2 or better. Alternatively, an unrated counterparty is acceptable where the Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2 or equivalent.

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.

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 recallable 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.

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.

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.

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

Collateral

General

Subject to the COLL Sourcebook, a Fund may enter into Portfolio Investment Techniques provided that collateral obtained under the relevant Portfolio Investment Technique complies at all times with the following criteria:

(i) Liquidity: collateral (other than cash) must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with article 52 of the UCITS Directive.

(ii) Valuation: collateral must be capable of being valued on a daily basis, and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

(iii) Issuer credit quality: collateral must be of high quality.

(iv) Correlation: collateral must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

(v) Diversification: collateral must be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the Fund receives from a counterparty a basket of collateral with a minimum exposure to any one issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure that exposure to a single issuer does not exceed 20% of Net Asset Value.

All assets received in respect of a Fund in the context of Portfolio Investment Techniques will be considered as collateral for the purposes of the COLL Sourcebook and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

Where there is a title transfer, the collateral received will be held by the Depositary, or its agent. For other types of collateral arrangement, the collateral may be held by a third party custodian which is which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty. Accordingly, collateral will be immediately available to the Fund without recourse to the counterparty in the event of default by that entity.

Permitted types of collateral

In accordance with the above criteria, it is proposed that a Fund will accept the following types of collateral in respect of Portfolio Investment Techniques:

(i) cash;

(ii) government or other public securities;

(iii) certificates of deposit issued by Relevant Institutions;

(iv) bonds / commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer is rated A1 or equivalent;

(v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions; and

(vi) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

Reinvestment of collateral

Cash received as collateral in respect of Portfolio Investment Techniques may not be invested or used except as follows:

(i) it may be placed on deposit with Relevant Institutions:

(ii) it may be invested in high quality government bonds;

(iii) it may be used for the purpose of reverse repurchase agreements provided that the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; or

(iv) it may be invested in short-term money market funds.

Reinvested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Non-cash collateral received by a Fund may not be sold, re-invested or pledged.

Without prejudice to the requirements set out above regarding cash collateral and non-cash collateral, a Fund may be permitted to undertake repo contract transactions pursuant to which additional leverage is generated through the re-investment of collateral, in which case the repo contract transactions will be taken into consideration for the calculation of global exposure required by the COLL Sourcebook. Any global exposure generated shall be added to the global exposure created through the use of derivatives, and the total of these shall not exceed 100% of the Fund's Net Asset Value. Where collateral is reinvested in financial assets that provide a return in excess of the risk-free return, the Fund shall include in the calculation of global exposure: (i) the amount received if cash collateral is held; and (ii) the market value of the instrument concerned if non-cash collateral is held.

Stress testing policy

If a Fund receives collateral for 30% or more of its net assets, it will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

Haircut policy

The Company has implemented a haircut policy in respect of each class of assets received as collateral. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral, and the results of any tests which may be performed under the stress testing policy. The value of the collateral, adjusted in light of the haircut policy, shall at all times equal or exceed in value the relevant counterparty exposure.

"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

The ACD is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (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 STF(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, securities 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

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

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.

Shareholder meetings and voting rights

General Meetings

Notice of the date, place and time of general meetings will be given to Shareholders.

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 in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. 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 (being a corporation) is present by its properly authorised representative shall have one vote.

On a poll vote, Shareholders may vote in person 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

The ACD will notify all Shareholders of the Company and/or the relevant Fund, as applicable, of any changes to the Company and/or the Fund. 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

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.

(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:

(i) 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;

(ii) 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;

(iii) no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;

(iv) where the Company is being wound up, the Company shall cease to carry on its business except for its beneficial winding up; and

(v) the corporate status and powers of the Company and, subject to the provisions of paragraph (i) and (iv) 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 auditors 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 auditors' report must be sent to the FCA, 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 first out of the Scheme Property attributable or allocated to that Fund.

Documents of the Company

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 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

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); and
(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 investment Advisory Agreement dated 16 June 2011 as novated pursuant to a novation and amendment agreement dated 2 January 2018 and effective 15 January 2018 between the ACD, the former investment adviser (Vanguard Group, Inc.) and the Investment Adviser.

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

Complaints

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. You may also complain directly to the Financial Ombudsman Service:

Financial Ombudsman Service
South Quay
Exchange Tower
Harbour Exchange London E14 9SR
Tel:0845 080 1800
Website: www.financial-ombudsman.org.uk

The ACD is covered by the Financial Services Compensation Scheme (FSCS). Shareholders may be entitled to compensation from the FSCS if the ACD cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100 per cent of the first £50,000. Further information about the FSCS is available on request, or by contacting FSCS Limited at 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QJ (or visit the website at www.fscs.org.uk). Tel: 0800 678 1100.

Notice to Shareholders

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

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

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

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.

Appendix 6: Delegation of Safekeeping Duties by the Depositary

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom the Depositary 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.

<table>
<tr><th>MARKET</th><th>SUB-CUSTODIAN</th></tr>
<tr><td>Albania</td><td>Raiffeisen Bank sh.a.</td></tr>
<tr><td>Argentina</td><td>Citibank, N.A., Buenos Aires</td></tr>
<tr><td>Australia</td><td>The Hongkong and Shanghai Banking Corporation Limited</td></tr>
<tr><td rowspan="2">Austria</td><td>Deutsche Bank AG</td></tr>
<tr><td>UniCredit Bank Austria AG</td></tr>
<tr><td>Bahrain</td><td>HSBC Bank Middle East Limited
(as delegate of The Hongkong and Shanghai Banking Corporation Limited)</td></tr>
<tr><td>Bangladesh</td><td>Standard Chartered Bank</td></tr>
<tr><td>Belgium</td><td>Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)</td></tr>
<tr><td>Benin</td><td>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</td></tr>
<tr><td>Bermuda</td><td>HSBC Bank Bermuda Limited</td></tr>
<tr><td>Federation of Bosnia and Herzegovina</td><td>UniCredit Bank d.d.</td></tr>
<tr><td>Botswana</td><td>Standard Chartered Bank Botswana Limited</td></tr>
<tr><td>Brazil</td><td>Citibank, N.A.</td></tr>
<tr><td rowspan="2">Bulgaria</td><td>Citibank Europe plc, Bulgaria Branch</td></tr>
<tr><td>UniCredit Bulbank AD</td></tr>
<tr><td>Burkina Faso</td><td>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</td></tr>
<tr><td>Canada</td><td>State Street Trust Company Canada</td></tr>
<tr><td>Chile</td><td>Banco Itaú Chile S.A.</td></tr>
<tr><td rowspan="4">People's Republic of China</td><td>HSBC Bank (China) Company Limited
(as delegate of The Hongkong and Shanghai Banking Corporation Limited)</td></tr>
<tr><td>China Construction Bank Corporation
(for A-share market only)</td></tr>
<tr><td>Citibank N.A.
(for Shanghai – Hong Kong Stock Connect market only)</td></tr>
<tr><td>The Hongkong and Shanghai Banking Corporation Limited
(for Shanghai – Hong Kong Stock Connect market only)</td></tr>
</table>

	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
	Intesa Sanpaolo S.p.A.

Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Jamaica	Scotia Investments Jamaica Limited
Japan	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Luxembourg	Clearstream Banking S.A., Luxembourg
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A

Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
	United Overseas Bank Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
	Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
	UBS Switzerland AG
Taiwan - R.O.C.	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş.
	Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)

United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company, Boston
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

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