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8 August 2022

Dear Investor,

**Important Changes Affecting the Vanguard Active U.K. Equity Fund (the “Fund”)**

We are writing to notify you that we will be implementing certain changes to the investment advisory arrangements concerning the Fund.

You are receiving this letter because you are an investor in the Fund. This letter is important and requires your attention but does not require you to take any action.

***Change to the Independent Sub-Investment Advisers***

The Fund is an active fund and employs a multi-manager structure, involving two independent investment advisers. These are currently Baillie Gifford Overseas Limited (“Baillie Gifford”) and Marathon Asset Management Limited (“Marathon”), each managing approximately equal portions of the Fund’s investments.

These advisers are subject to ongoing monitoring and supervision and the allocated proportions they manage may change at any time. Vanguard’s ongoing monitoring of the Fund’s investment advisers looks beyond short-term performance to focus on the drivers of long-term success for shareholders. As part of this review process, Vanguard has determined that changes to the investment advisory structure would best serve current and future shareholders of the Fund.

Accordingly, a change in investment adviser is to be made to the Fund with the addition of Schroders Investment Management North America Inc. (“Schroders”) who will manage the portion of the Fund currently advised by Marathon who will no longer act as adviser to the Fund. Vanguard has conducted a rigorous process in determining that Schroders is a suitable adviser to the Fund and believes that Schroders will bring value to the Fund’s shareholders and present a complementary approach to that of Baillie Gifford.



As a result of the change to the investment adviser, portfolio realignment costs will be incurred, which will be borne by the Fund. There will be no additional transition management fee incurred in relation to the transfer of the Fund's portfolio from Marathon to Schroders.

There is no change to the Investment Objective and Policy, principal investment strategies or the Management Charge of the Fund as a result of the updates described above.

### ***Timing***

The change to the Fund, as set out above, are expected to be fully implemented on or around 5th September 2022. An updated Prospectus for the Fund will be published in due course to reflect this change.

Should you have any queries regarding this change, please contact your financial adviser or Vanguard's Client Services team at [uk\\_client\\_services@vanguard.co.uk](mailto:uk_client_services@vanguard.co.uk) or on +44 (0)20 3753 4305 between 9am and 5pm, Monday to Friday (excluding public holidays in England).

Yours faithfully

DocuSigned by:  
  
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For and on behalf of

**Vanguard Investments UK, Limited**

**Authorised Corporate Director of Vanguard Investments Funds ICVC**