

**Annual Report and Financial Statements** | For the year ended 31 July 2023

# Vanguard FTSE 100 Index Unit Trust

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\* The items with an asterisk, plus the Trust's Investment Objective, Investment Strategy and Performance Comparative Table, collectively constitute the Manager's Report.

# Vanguard FTSE 100 Index Unit Trust Manager's Commentary and Statement of Responsibilities

Year ended 31 July 2023

The Authorised Fund Manager (the "Manager") of Vanguard FTSE 100 Index Unit Trust (the "Trust") is Vanguard Investments UK, Limited. The Trustee is State Street Trustees Limited and the Independent Auditors are PricewaterhouseCoopers LLP.

The Trust is a unit trust established under the Trust Deed between the Manager and the Trustee and authorised by the Financial Conduct Authority under Section 243 of the Financial Services and Markets Act 2000 and has been established as a UK Undertaking for Collective Investments in Transferable Securities ("UCITS") scheme. The unitholders are not liable for the debts of the Trust.

The investment objective of the Trust, the Manager's policy for pursuing that objective and a review of the Trust's investment activities for the relevant year are included within the Performance Summary.

## Important Events During the Year

Management has determined that no events or transactions occurred during the period that would require recognition or disclosure in these financial statements.

## Events After the Balance Sheet Date

Management has determined that no events or transactions occurred subsequent to 31 July 2023 that would require recognition or disclosure in these financial statements.

## Manager's Statement of Responsibilities in Relation to the Financial Statements of the Trust

The Financial Conduct Authority's Collective Investment Schemes sourcebook ("COLL") requires the Manager to prepare Financial Statements for each annual and half-yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Trust and of its net revenue and the net capital gains/(losses) on the property of the Trust for the year.

In preparing the Financial Statements the Manager is required to:

- prepare the Financial Statements on a going-concern basis;
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (now the Investment Association) (the "SORP 2014" as amended in 2017) and with Financial Reporting Standard ("FRS") 102;
- keep adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust, and enable it to ensure that the Financial Statements comply with the requirements above.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL and for taking reasonable steps for the prevention and detection of fraud, error and noncompliance with law or regulations.

The Manager's report and the Financial Statements for the year ended 31 July 2023 were signed on 29 November 2023 on behalf of the Manager by:



John Bendl,  
Director  
Vanguard Investments UK, Limited  
as Manager of  
Vanguard FTSE 100 Index Unit Trust

29 November 2023



Robyn Laidlaw,  
Director  
Vanguard Investments UK, Limited  
as Manager of  
Vanguard FTSE 100 Index Unit Trust

29 November 2023

# Vanguard FTSE 100 Index Unit Trust

## Statement of the Depositary to the Unitholders

Year ended 31 July 2023

The Depositary in its capacity as Trustee of (the Trust) must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Trust, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

State Street Trustees Limited  
Edinburgh

29 November 2023

# Independent Auditors' Report to the Unitholders of Vanguard FTSE 100 Index Unit Trust

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Vanguard FTSE 100 Index Unit Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 July 2023 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2023; the Statement of Total Return, and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Table; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Manager for the financial statements

As explained more fully in the Manager's Statement of Responsibilities in Relation to the Financial Statements of the Trust, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust.

Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

29 November 2023

# Tracking Error

The Trust seeks to replicate the index by investing all, or substantially all, of its assets in the securities that make up the index, holding each in approximately the same proportion as its weighting in the index. Tracking error measures the volatility of the return difference between the Trust and the index. It is calculated as the standard deviation of the tracking difference between the Trust and the index (gross of fees for the trailing 36-month period).

Realised tracking error may vary from the anticipated tracking error, depending on a range of circumstances. These include transaction costs and withholding tax differences. The anticipated tracking error and realised tracking error are not expected to vary significantly under normal circumstances.

The table below excludes adjustments for swing pricing.

For the Year Ended 31 July 2023

Trust	Tracking Error		Explanation for Divergence
	Anticipated	Realised	
Vanguard FTSE 100 Index Unit Trust	0.500	0.068	The Trust has tracked its benchmark within acceptable tolerances of its anticipated tracking error.



# Vanguard FTSE 100 Index Unit Trust

Managed by Vanguard Global Advisers, LLC.

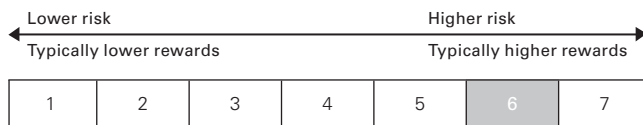
## Investment Objective

Vanguard FTSE 100 Index Unit Trust seeks to track the performance of the FTSE 100 Index (the "Index").

## Investment Strategy

The Trust is a passive fund with an indexing investment strategy designed to replicate the performance of the Index by investing in all of the component shares of the Index, holding each share in approximately the same proportion as its weighting in the Index.

## Synthetic Risk and Reward Indicator



The Synthetic Risk and Reward Indicator (SRRI) measures the volatility of the Trust. The risk and reward category (which may range from 1 to 7) is calculated using historical data and may not be a reliable indicator of the Trust's future risk profile. The risk and reward category may shift over time and is not a target or guarantee. The lowest category (i.e. category 1) does not mean "risk free". The Trust appears in the higher range of the risk and reward indicator because the values of the Trust's investments have experienced a higher rate of change in the past.

## Performance Summary

The Performance Summary does not form part of the Financial Statements.

- Inflation and policymakers' efforts to rein it in took centre stage for the financial markets during much of the 12 months ended 31 July 2023.
- Early in the period, energy prices continued to cool amid an outlook for slower economic growth, but price increases then broadened to other categories, notably the services sector, which felt the effects of tight labour markets. Central banks including the US Federal Reserve, the European Central Bank and the Bank of England reacted to the prospect of inflation remaining stubbornly high by aggressively hiking interest rates even as their actions fanned fears of a global recession.
- Although progress was slow, signs of inflation moderating later in the period led several major central banks to slow the pace of their interest rate hikes or even hit the pause button.
- Despite volatility associated with banking sector turmoil in the US and Europe in the spring and ongoing concerns about a recession, labour markets remained robust overall and corporate profits were fairly resilient.
- The global stock market ended the 12 months up significantly.
- The fund's benchmark index, the FTSE 100 Index, returned 7.73% for the fiscal year.
- There was a wide dispersion of returns across industry sectors. The negative results of telecommunications, real estate, consumer staples and health care were offset by double-digit gains in financials, energy, consumer discretionary, industrials and technology.

## Benchmark: FTSE 100 Index

	Total Returns Periods Ended 31 July 2023 (Annualised for periods over one year)		
	One Year	Five Years	Ten Years or Since Inception <sup>1</sup>
GBP Acc	8.15%	3.67%	5.77%
Benchmark	7.73	3.72	5.72
Tracking Difference*	0.42		
GBP Inc	8.13%	3.66%	5.76%
Benchmark	7.73	3.72	5.72
Tracking Difference*	0.40		

Sources: Vanguard Global Advisers, LLC, and FTSE.  
Returns are based on NAV with income reinvested.

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the Trust. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at <https://global.vanguard.com>. Note, too, that both investment returns and principal value can fluctuate widely, so an investor's units, when sold, could be worth more or less than their original cost.

\* The tracking difference between the Trust return and the Index return over a stated period of time can be attributed to a number of factors, including, without limitation, small differences in weightings, trading activity, swing pricing, transaction costs, and differences in the valuation and withholding tax treatment between the Trust and the index vendor.

<sup>1</sup> Since-inception returns: GBP Acc and GBP Inc, 8 November 2016.

## Performance Comparative Table

	For the Year Ended 31 July 2023	For the Year Ended 31 July 2022	For the Year Ended 31 July 2021
GBP Acc			
<b>Change in Net Assets Per Unit</b>			
Opening Net Asset Value Per Unit <sup>1</sup>	£134.83	£123.14	£100.03
Return Before Operating Charges <sup>*,2</sup>	£10.37	£11.77	£23.18
Operating Charges <sup>2</sup>	(£0.08)	(£0.08)	(£0.07)
Return After Operating Charges <sup>*,2</sup>	£10.29	£11.69	£23.11
Distributions <sup>3</sup>	(£5.42)	(£4.97)	(£3.69)
Retained Distributions on Acc Units <sup>3</sup>	£5.42	£4.97	£3.69
Closing Net Asset Value Per Unit <sup>1</sup>	£145.12	£134.83	£123.14
*Net of Direct Transaction Costs of: <sup>4</sup>	£0.24	£0.28	£0.33
<b>Performance</b>			
Return After Operating Charges <sup>2,5</sup>	7.63%	9.49%	23.11%
<b>Other Information</b>			
Closing Net Asset Value	£1,049,107,126	£777,081,989	£548,731,637
Closing Number of Units	7,229,415	5,763,417	4,456,198
Operating Charges <sup>2</sup>	0.06%	0.06%	0.06%
Direct Transaction Costs <sup>6</sup>	0.17%	0.21%	0.29%
<b>Prices</b>			
Highest Unit Price <sup>7</sup>	£148.87	£138.81	£125.72
Lowest Unit Price <sup>7</sup>	£125.28	£122.74	£95.91
GBP Inc			
<b>Change in Net Assets Per Unit</b>			
Opening Net Asset Value Per Unit <sup>1</sup>	£108.04	£102.42	£85.68
Return Before Operating Charges <sup>*,2</sup>	£8.30	£9.83	£19.97
Operating Charges <sup>2</sup>	(£0.07)	(£0.07)	(£0.06)
Return After Operating Charges <sup>*,2</sup>	£8.23	£9.76	£19.91
Distributions <sup>3</sup>	(£4.34)	(£4.14)	(£3.17)
Closing Net Asset Value Per Unit <sup>1</sup>	£111.93	£108.04	£102.42
*Net of Direct Transaction Costs of: <sup>4</sup>	£0.19	£0.23	£0.28
<b>Performance</b>			
Return After Operating Charges <sup>2,5</sup>	7.62%	9.53%	23.24%
<b>Other Information</b>			
Closing Net Asset Value	£121,335,426	£103,387,871	£80,699,527
Closing Number of Units	1,084,007	956,947	787,894
Operating Charges <sup>2</sup>	0.06%	0.06%	0.06%
Direct Transaction Costs <sup>6</sup>	0.17%	0.21%	0.29%
<b>Prices</b>			
Highest Unit Price <sup>7</sup>	£119.28	£115.49	£107.80
Lowest Unit Price <sup>7</sup>	£100.38	£102.11	£82.25

1 The net asset value per unit shown may diverge from the net asset value per unit used for dealing purposes as at 31 July 2023 because of any adjustments for trade date accounting, swing pricing and any adjustments in valuation to bid prices.

2 Operating charges include indirect costs incurred in the maintenance and running of the Trust, as disclosed in the detailed expenses within the Statement of Total Return and Note 9.

3 The distribution on Income and Accumulation Units includes distribution paid and payable in the financial year.

4 Direct transaction costs have been calculated against the average units for the financial year.

5 Returns have been calculated using methods prescribed in the SORP 2014 as amended in 2017 regulations. They may differ slightly from returns shown in the Trust Performance Summary.

6 Direct transaction costs have been calculated against the average net asset value for the financial year.

7 Unit prices represent the net asset value per unit used for dealing purposes.

## Summary of Significant Changes

For the year ended 31 July 2023

	Cost (£)
<b>Largest Purchases</b>	
AstraZeneca plc	25,251,592
Shell plc	23,610,186
HSBC Holdings plc	18,152,645
Unilever plc	16,548,678
Diageo plc	12,485,042
<b>Total</b>	<b>96,048,143</b>
<b>Total Purchases for the Year</b>	<b>332,374,286</b>

	Proceeds (£)
<b>Largest Sales</b>	
Shell plc	7,663,835
AstraZeneca plc	5,025,049
BP plc	4,253,154
Vodafone Group plc	2,933,836
Meggitt plc	2,827,440
<b>Total</b>	<b>22,703,314</b>
<b>Total Sales for the Year</b>	<b>74,187,400</b>

## Portfolio Statement

As at 31 July 2023

	Holding	Market Value (£)	% of Total Net Assets		Holding	Market Value (£)	% of Total Net Assets
<b>Basic Materials 8.38% (31 July 2022: 8.62%)</b>							
Anglo American plc	713,472	17,076,952	1.46	Lloyds Banking Group plc	38,959,076	17,506,261	1.50
Antofagasta plc	204,318	3,427,435	0.29	London Stock Exchange Group plc	252,900	21,400,398	1.83
Croda International plc	82,467	4,857,306	0.42	M&G plc	1,281,539	2,570,767	0.22
Endeavour Mining plc	107,336	2,017,917	0.17	NatWest Group plc	3,274,861	8,000,485	0.68
Evrz plc <sup>1</sup>	82,271	—	0.00	Pershing Square Holdings Ltd	90,672	2,716,533	0.23
Fresnillo plc	110,456	682,839	0.06	Phoenix Group Holdings plc	432,373	2,378,052	0.20
Glencore plc	7,369,213	34,893,224	2.98	Prudential plc	1,627,200	17,606,304	1.51
Johnson Matthey plc	107,213	1,930,906	0.17	Schroders plc	495,043	2,273,238	0.20
Rio Tinto plc	643,948	33,163,322	2.83	Scottish Mortgage Investment Trust plc	832,811	6,111,167	0.52
		<b>98,049,901</b>	<b>8.38</b>	St. James's Place plc	319,390	3,002,266	0.26
				Standard Chartered plc	1,368,546	10,225,776	0.87
<b>Consumer Discretionary 11.05% (31 July 2022: 10.00%)</b>						<b>225,269,870</b>	<b>19.25</b>
B&M European Value Retail SA	550,464	3,045,167	0.26	<b>Health Care 12.74% (31 July 2022: 13.74%)</b>			
Barratt Developments plc	575,546	2,628,518	0.23	AstraZeneca plc	873,617	97,705,325	8.35
Berkeley Group Holdings plc	62,091	2,698,475	0.23	ConvaTec Group plc	958,421	1,997,349	0.17
Burberry Group plc	221,833	4,931,347	0.42	GSK plc	2,378,470	32,922,782	2.81
Compass Group plc	1,030,326	20,884,708	1.78	Haleon plc	3,095,163	10,409,033	0.89
Entain plc	375,167	5,199,815	0.44	NMC Health plc <sup>1</sup>	11,456	—	0.00
Flutter Entertainment plc	104,278	16,173,518	1.38	Smith & Nephew plc	516,515	6,120,703	0.52
Frasers Group plc	76,377	620,563	0.05			<b>149,155,192</b>	<b>12.74</b>
Informa plc	832,276	6,310,317	0.54	<b>Industrials 11.57% (31 July 2022: 10.04%)</b>			
InterContinental Hotels Group plc	101,571	5,846,427	0.50	Ashtead Group plc	257,965	14,848,465	1.27
International Consolidated Airlines Group SA	2,195,111	3,754,737	0.32	BAE Systems plc	1,802,160	16,785,318	1.43
JD Sports Fashion plc	1,449,312	2,284,840	0.20	Bunzl plc	199,481	5,755,027	0.49
Kingfisher plc	1,143,212	2,808,872	0.24	CRH plc	436,009	20,270,058	1.73
Next plc	72,713	5,123,358	0.44	DCC plc	58,227	2,626,038	0.23
Pearson plc	422,266	3,650,912	0.31	DS Smith plc	752,867	2,330,876	0.20
Persimmon plc	186,687	2,163,702	0.19	Electrocomponents plc	281,663	2,207,111	0.19
RELX plc	1,120,939	29,368,602	2.51	Experian plc	541,845	16,298,698	1.39
Taylor Wimpey plc	2,088,684	2,388,410	0.20	Halma plc	224,016	5,008,998	0.43
Whitbread plc	119,219	4,171,473	0.36	IMI plc	151,351	2,465,508	0.21
WPP plc	615,672	5,243,063	0.45	Intertek Group plc	95,418	4,161,179	0.36
		<b>129,296,824</b>	<b>11.05</b>	Melrose Industries plc	791,281	4,192,207	0.36
<b>Consumer Staples 17.05% (31 July 2022: 18.47%)</b>							
Associated British Foods plc	202,212	4,143,324	0.35	Mondi plc	286,455	3,908,678	0.33
British American Tobacco plc	1,315,094	34,396,284	2.94	Rentokil Initial plc	1,490,092	9,453,144	0.81
Coca-Cola HBC AG	115,919	2,656,864	0.23	Rolls-Royce Holdings plc	4,949,703	9,147,051	0.78
Diageo plc	1,306,862	44,400,636	3.79	Smiths Group plc	207,947	3,533,020	0.30
Imperial Brands plc	542,759	9,981,338	0.85	Smurfit Kappa Group plc	154,034	4,775,054	0.41
J Sainsbury plc	1,022,477	2,836,351	0.24	Spirax-Sarco Engineering plc	43,501	4,839,486	0.41
Ocado Group plc	356,253	3,343,078	0.29	Weir Group plc	152,726	2,802,522	0.24
Reckitt Benckiser Group plc	423,553	24,718,553	2.11			<b>135,408,438</b>	<b>11.57</b>
Tesco plc	4,272,320	11,022,586	0.94	<b>Real Estate 1.11% (31 July 2022: 1.64%)</b>			
Unilever plc	1,482,218	62,112,345	5.31	Land Securities Group plc	434,731	2,813,579	0.24
		<b>199,611,359</b>	<b>17.05</b>	Rightmove plc	479,432	2,733,721	0.23
<b>Energy 12.38% (31 July 2022: 12.34%)</b>							
BP plc	10,206,704	49,298,380	4.21	Segro plc	714,368	5,447,770	0.47
Shell plc	4,043,514	95,649,324	8.17	UNITE Group plc	204,930	1,991,920	0.17
		<b>144,947,704</b>	<b>12.38</b>			<b>12,986,990</b>	<b>1.11</b>
<b>Financials 19.25% (31 July 2022: 17.28%)</b>							
3i Group plc	563,232	11,135,097	0.95	<b>Technology 0.78% (31 July 2022: 0.95%)</b>			
abrdn plc	1,162,405	2,695,617	0.23	Auto Trader Group plc	529,740	3,422,120	0.29
Admiral Group plc	170,805	3,636,438	0.31	Sage Group plc	605,920	5,673,835	0.49
Aviva plc	1,637,345	6,359,448	0.54			<b>9,095,955</b>	<b>0.78</b>
Barclays plc	9,163,686	14,200,048	1.21	<b>Telecommunications 1.31% (31 July 2022: 2.42%)</b>			
Beazley plc	389,410	2,133,967	0.18	Airtel Africa plc	649,723	756,927	0.06
F&C Investment Trust plc	305,662	2,726,505	0.23	BT Group plc	4,111,245	5,015,719	0.43
Hargreaves Lansdown plc	225,298	1,918,187	0.17	Vodafone Group plc	12,921,042	9,615,840	0.82
Hiscox Ltd.	197,218	2,126,010	0.18			<b>15,388,486</b>	<b>1.31</b>
HSBC Holdings plc	11,816,665	76,359,289	6.53	<b>Utilities 3.91% (31 July 2022: 4.12%)</b>			
Legal & General Group plc	3,508,148	8,188,017	0.70	Centrica plc	3,348,050	4,621,983	0.40
				National Grid plc	2,172,288	22,407,151	1.91

	Holding	Market Value (£)	% of Total Net Assets
Severn Trent plc	148,798	3,798,813	0.33
SSE plc	644,705	10,866,503	0.93
United Utilities Group plc	403,349	4,029,456	0.34
		<b>45,723,906</b>	<b>3.91</b>
<b>Total Equities</b>		<b>1,164,934,625</b>	<b>99.53</b>

	Number of Contracts Long/(Short)	Notional Amount (£)	Unrealised Gain/(Loss) (£)	% of Total Net Assets
<b>Financial Derivative Instruments 0.02% (31 July 2022: 0.02%)</b>				
<b>Futures Contracts 0.02% (31 July 2022: 0.02%)</b>				
FTSE 100 Index September 2023	133	10,220,385	194,729	0.02
			<b>194,729</b>	<b>0.02</b>

Currency	Buy Amount	Currency	(Sell) Amount	Counterparty	Settlement Date	Unrealised Gain/(Loss) (£)	% of Total Net Assets
<b>Forward Currency Exchange Contracts 0.00% (31 July 2022: (0.00%))</b>							
GBP	71,879	USD	(89,338)	JP Morgan Chase Bank	20/09/23	2,459	0.00
GBP	89,683	EUR	(103,427)	JP Morgan Chase Bank	20/09/23	860	0.00
USD	69,679	GBP	(89,338)	JP Morgan Chase Bank	20/09/23	(259)	(0.00)
						<b>3,060</b>	<b>0.00</b>
<b>Total Financial Derivative Instruments</b>						<b>197,789</b>	<b>0.02</b>

	Market Value (£)	% of Total Net Assets
<b>Portfolio of Investments</b>	<b>1,165,132,414</b>	<b>99.55</b>
<b>Net Other Assets</b>	<b>5,310,138</b>	<b>0.45</b>
<b>Net Assets Attributable to Unitholders</b>	<b>1,170,442,552</b>	<b>100.00</b>

All holdings are ordinary shares or stock units that are listed on an official stock exchange or are traded on an eligible securities market, unless otherwise stated.

1 Unlisted and suspended instruments.

## Balance Sheet

	Note <sup>1</sup>	As at 31 July 2023 (£)	As at 31 July 2022 (£)
<b>Assets:</b>			
Financial Assets		1,165,132,673	877,324,428
<b>Current Assets</b>			
Debtors	12	4,349,292	2,677,208
Cash and Bank Balances	13	6,150,166	4,741,991
<b>Total Assets</b>		<b>1,175,632,131</b>	<b>884,743,627</b>
<b>Liabilities:</b>			
Financial Liabilities		259	13,004
<b>Creditors</b>			
Distribution Payable		4,707,176	3,960,275
Other Creditors	15	482,144	300,488
<b>Total Liabilities</b>		<b>5,189,579</b>	<b>4,273,767</b>
<b>Net Assets Attributable to Unitholders</b>		<b>1,170,442,552</b>	<b>880,469,860</b>

1 See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Total Return

	Note <sup>1</sup>	Year Ended		Year Ended	
		31 July 2023 (£)	31 July 2023 (£)	31 July 2022 (£)	31 July 2022 (£)
<b>Income</b>					
Net Capital Gains/(Losses)	6		29,198,729		37,264,790
Revenue	8	39,001,988		28,869,003	
Expenses	9	(600,827)		(450,247)	
Net Revenue Before Taxation		38,401,161		28,418,756	
Taxation	10	(25,746)		(72,249)	
Net Revenue After Taxation			38,375,415		28,346,507
<b>Total Return Before Distributions</b>			<b>67,574,144</b>		<b>65,611,297</b>
Distributions <sup>2</sup>	11		(38,375,411)		(28,346,508)
<b>Change in Net Assets Attributable to Unitholders From Investment Activities</b>			<b>29,198,733</b>		<b>37,264,789</b>

1 See accompanying Notes, which are an integral part of the Financial Statements.

2 Includes adjustments for equalisation.

## Statement of Change in Net Assets Attributable to Unitholders

	Note <sup>1</sup>	Year Ended		Year Ended	
		31 July 2023 (£)	31 July 2023 (£)	31 July 2022 (£)	31 July 2022 (£)
<b>Opening Net Assets Attributable to Unitholders</b>			<b>880,469,860</b>		<b>629,431,164</b>
Amounts Received on Issue of Units		331,831,235		297,809,090	
Amounts Paid on Cancellation of Units		(111,553,124)		(113,962,589)	
			220,278,111		183,846,501
Dilution Adjustment	3(j)		1,316,465		1,259,293
Change in Net Assets Attributable to Unitholders From Investment Activities			29,198,733		37,264,789
Retained Distribution on Accumulation Units			39,179,383		28,668,113
<b>Closing Net Assets Attributable to Unitholders</b>			<b>1,170,442,552</b>		<b>880,469,860</b>

1 See accompanying Notes, which are an integral part of the Financial Statements.

## Distribution Table

For the year ended 31 July 2023

	Net Income Pence Per Unit	Equalisation Pence Per Unit	Distribution Payable 30 September 2023 Pence Per Unit	Distribution Paid 30 September 2022 Pence Per Unit
<b>GBP Acc</b>				
Group 1	541.9440	—	541.9440	497.4152
Group 2	219.1393	322.8047	541.9440	497.4152
<b>GBP Inc</b>				
Group 1	434.2386	—	434.2386	413.8449
Group 2	201.1273	233.1113	434.2386	413.8449

Group 1—Units purchased before 1 August 2022.

Group 2—Units purchased between 1 August 2022 and 31 July 2023.

Note: Equalisation applies only to units purchased during the distribution period (Group 2 Units). It is the average amount of income included in the purchase price of all Group 2 Units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

# Notes to the Financial Statements

For the year ended 31 July 2023

## 1. General Information

Vanguard FTSE 100 Index Unit Trust is a unit trust and was established under the Trust Deed on 20 September 2016. The address of the Authorised Fund Manager (the "Manager") is The Walbrook Building, 25 Walbrook, London EC4N 8AF, United Kingdom.

## 2. Basis of Presentation

The financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 102 and the Statement of Recommended Practice for UK Authorised Funds (the "SORP 2014 as amended in 2017") issued by the Investment Management Association (now known as the Investment Association) in May 2014.

Cash Flow Statements have not been presented due to the exemption contained in FRS 102, Section 7.1A.

The financial statements have been prepared on a going concern basis, subject to the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss ("FVTPL").

## 3. Significant Accounting Policies

**(a) Critical Accounting Estimates and Judgements.** The preparation of these financial statements requires the use of certain accounting estimates and requires the Manager to exercise judgement when applying the Trust's accounting policies. The estimates and associated judgements are based on historical experience and various other facts that are believed to be reasonable under the circumstances which affect the classification of financial assets and liabilities, the carrying values of certain financial assets and liabilities, as well as their fair values in instances where information is not readily apparent from other sources.

**(b) Revenue Recognition.** Dividends, whether cash or stock, are recognised when the securities are quoted ex-dividend. Special dividends are treated as either capital or revenue depending on the facts of each particular case.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution or when revenue is reported by the underlying Fund. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

The treatment of returns from financial derivative instruments is dependent upon the nature of the transaction and considers whether positions are undertaken to protect or enhance capital gain/(loss) or revenue. Accordingly, returns are treated as capital or revenue, as appropriate.

All income is recognised gross of any withholding taxes incurred.

Bank interest on cash is recognised on an effective interest basis.

**(c) Treatment of Expenses.** All expenses, except those relating to the purchase and sale of investments, are charged against revenue and are recognised on an accrual basis.

**(d) Taxation.** Corporate tax is payable at current tax rates on the excess taxable revenue over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the reporting date. Deferred tax is measured at the rates expected to apply for the period in which the timing differences will reverse. Deferred taxes are not discounted to reflect the time value of money and are only recognised to the extent they are expected to crystallise.

Additionally, the Trust incurs withholding taxes imposed by certain foreign countries on investment income. Such income is recorded gross of the related withholding taxation, which is shown as a separate tax expense in the Statement of Total Return.

### (e) Financial Assets and Liabilities.

**Classification and Measurement.** Financial assets and financial liabilities, including financial derivative investments, are held for trading and classified and measured at FVTPL from their initial recognition. Redeemable participating units are classified as financial liabilities at amortised cost and are measured at the present value of the redemption amounts, which approximates their fair value. All other financial assets and liabilities are measured at amortised cost, which approximates fair value.

**Recognition and Derecognition.** Purchases and sales of financial instruments are recognised on the trade date, being the date on which the Trust commits itself to the purchase or sale. Financial instruments at FVTPL are initially recognised when the Trust becomes party to the contractual provisions of the instrument. Financial instruments are derecognised when the contractual rights to the cash flows from the instruments expire, or when substantially all the risks and rewards of ownership have been transferred. Realised gains and losses are specifically identified when securities are derecognised.

**(f) Fair Value Hierarchy.** The Trust classifies financial instruments measured at fair value using a three-level hierarchy. Instruments are categorised in their entirety based on the lowest level input that is significant to the fair value measurement. Assessing the significance and observability of a particular input requires significant judgement specific to an asset or liability. Inputs are considered to be observable when they are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Each financial instrument held in the Trust is valued at the close of business on each business day on the market that in the opinion of the Administrator is the principal market on which such financial instrument is traded.

Level 1 – Quoted prices in active markets for identical securities.



Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including the Trust's own fair value assumptions).

**Equities.** Equities (including warrants and rights) are valued at the bid-market price at period-end. Instruments traded on a recognised market are valued on the basis of valuations provided by a principal market maker or a pricing service. When applicable, unlisted and suspended instruments are based on the Investment Adviser's assessment of their net realisable value or the bid-market price from broker-dealers for non-exchange-trade purposes.

**Collective Investment Schemes.** Collective investment schemes are valued at their single price if a single price for buying and selling units or shares is quoted and the bid-market price if separate buying and selling prices are quoted on the last business day of the accounting year. Where the Manager or its appointed Investment Adviser considers that no reliable price exists for a share in a collective investment scheme at a valuation point, the Manager or appointed Investment Adviser may value an investment at a price that in its opinion reflects a fair and reasonable price for that investment.

**Derivatives.** Futures contracts are valued in an active market if quoted prices are readily and regularly available; this represents the amount that would be required to close the position. Forward currency contracts are valued at the closing prices of the forward currency contract rates in the London foreign exchange markets on a daily basis as provided by a reliable bank or dealer.

**(g) Transaction Costs.** Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment. These costs include fees and commissions paid to agents, advisers, brokers and dealers. Investments in financial instruments include transaction costs which form part of the net capital gains/(losses).

**(h) Foreign Currency.** All transactions in foreign currencies are translated into sterling at the exchange rates prevailing on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates. Gains and losses arising on translation are included as part of the return and are reported on a net basis.

**(i) Cash and Bank Balances and Cash Overdrafts with Futures Clearing.** Cash is composed of demand deposits with financial institutions or bank overdrafts. Bank overdrafts, when applicable, are presented as current liabilities. Cash held or pledged as margin against derivative instruments is included within Cash and Bank Overdrafts on the balance sheet and disclosed separately in the Notes to the Financial Statements as Amounts Held at, or Overdrafts with Futures Clearing Houses and Brokers, as applicable.

**Margin.** Upon entering into futures contracts, cash deposits are required (initial margin) in an amount equal to a certain percentage of the contract value. Subsequent payments (variation margin) are made or received by the Trust each day.

**(j) Swing Pricing.** The Trust employs swing pricing as a means to prevent dilution. Swing pricing results from the Manager's determination to adjust the Trust's net asset value, on any dealing day, following a consideration of dealing activity (i.e. level of subscriptions and redemptions) and the level of costs associated with such activity. A dilution adjustment is exercised only for the purpose of reducing the negative effects of transaction charges in the interest of the non-dealing unitholders in the Trust and is applied consistently in respect of the Trust, and in respect of all assets of the Trust. The direction of the swing depends on whether there are net subscriptions or net redemptions in the Trust on the relevant dealing day, while the magnitude of the swing is based on pre-determined estimates of the average execution costs in the relevant asset classes in which the Trust is invested.

Any dilution adjustment will not exceed 2% of the net asset value per unit of the Trust for the years ended 2023 and 2022.

#### 4. Distribution Policies

**(a) Basis of Distribution.** Where revenue from investments exceeds expenses of the unit class, a distribution will be made to that unit class. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of revenue. All remaining revenue is distributed in accordance with the Collective Investment Schemes sourcebook.

**(b) Equalisation.** Equalisation occurs to reflect the pro rata payment of distributions based on the time period over which units have been owned by an investor. If units are purchased when the Trust has accrued income but has not yet declared a distribution, the Trust will credit to the equalisation account the portion of the purchase price representing income accrued but directly attributable to those units. Conversely, if units are redeemed when the Trust has accrued income but has not yet declared a distribution, the Trust will deduct from the equalisation account the portion of the redemption price representing income accrued but directly attributable to those units.

#### 5. Risk Management Policies

The Trust's investments in financial instruments create a direct exposure to a variety of risks. The Trust may also make investments in other underlying funds. The financial instruments which constitute these other underlying funds generally expose the Trust to indirect risks resulting from currency, interest rate, other price risk and credit risk.

The Trust may trade in financial derivative instruments such as exchange traded futures and options contracts (to manage cash flows on a short term basis and to achieve cost efficiencies), warrants, swap agreements and equity-linked notes (to gain market exposure or exposure to a particular asset class) and currency forwards (to protect against currency fluctuations). The use of financial derivative instruments may expose the Trust to a higher degree of risk. Financial derivative instrument contracts can be highly volatile, and the initial investment is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on financial derivative instruments than on standard securities. Leveraged financial derivative instruments positions can therefore increase Trust volatility. Leverage will not exceed 100% of the net asset value of the Trust and will be done in accordance with regulations applicable to the Trust. Although the Investment Adviser believes that taking exposure to underlying assets by using derivatives will benefit Shareholders in certain circumstances, by reducing operational costs and creating other efficiencies, there is risk that the performance of the Trust will be imperfectly correlated with the performance that would be generated by investing directly in the underlying assets.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust's performance.

The Manager seeks to minimise potential adverse effects of risk on the Trust's performance by employing professional, experienced portfolio advisors; by daily monitoring of the Trust's positions and market events; by diversifying the investment portfolio within the constraints of the investment objectives; and by periodically using derivatives to economically hedge certain risk exposures.

**(a) Other Price Risk.** Other price risk is the risk that the value of the financial instruments will fluctuate because of changes in the market. The Manager considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors while continuing to follow the stated investment objectives.

To the extent the Trust's portfolio reflects concentration in a particular market, industry, group of industries, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The investment objective of the Trust is to seek to track as closely as reasonably possible the performance of its benchmark. To achieve this objective, the Trust invests primarily in securities held in the equity index benchmark. The Trust places limitations on the amount by which a holding may deviate from the proportion in the benchmark to limit the market risk from mismatched positions.

All investments present a risk of loss of capital. Market risk volatility is assessed to ensure the effect of using financial derivative instruments is not significant enough to cause disproportionate losses to overall value and is moderated through careful selection of financial instruments.

**(b) Currency Risk.** Currency risk is the risk that the value of the Trust's investments will fluctuate as a result of changes in currency exchange rates. Local interest rates and monetary policy, as well as other government fiscal and labour policies, can also adversely impact currency values. Currency risk is not significant to the Trust.

**(c) Interest Rate Risk.** The Trust may invest in fixed and floating rate securities. Revenue may be affected by changes in interest rates relevant to these securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed rate securities may be affected by interest rate movements or the expectation of such movements in the future. Certain financial derivative instruments and interest receivable on bank deposits or payable on bank overdraft positions may also be affected by fluctuations in interest rates. Interest rate risk is not significant to the Trust.

**Management of Market Risk (Including Other Price, Currency and Interest Rate Risks).** Using risk models and quantitative tools, the Investment Adviser performs daily reviews of exposure to: style, country, sector and currency related risk factors for equity portfolios. For index funds, the Investment Adviser employs a 'passive' investment strategy aimed to minimise tracking-error and portfolio management related costs through the optimisation of the Trust's relative exposure to the relevant risk factors of the benchmarks by either fully replicating a benchmark or by holding a representative sample of benchmark securities. In addition, the Investment Adviser performs daily checks of performance against the respective benchmarks. Efficient portfolio management techniques, as described in Note 17, may be used to minimise transaction costs or taxes. Currency is traded as closely as possible to the close of the markets, so as to obtain exchange rates that closely approximate the rates used in the daily valuation.

The Trust's market risk profile is correlated to the change in return for its benchmark index. The sensitivity analysis below reflects the interdependencies between risk variables (price, foreign currency, and interest rate) and demonstrates the effect a change in benchmark return had on the net assets of the Trust:

Fund	Benchmark	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Change in Benchmark Return (%)	Total Return Before Distributions (£)	Change in Benchmark Return (%)	Total Return Before Distributions (£)
FTSE 100 Index Unit Trust	FTSE 100 Index	7.73	67,574,144	9.53	65,611,297

**(d) Liquidity Risk.** Liquidity risk is the risk that sufficient cash cannot be raised to meet liabilities when due. One of the key liquidity factors influencing the Trust is exposure to cash redemptions of redeemable units. Hence the Trust invests the large majority of its assets in investments that are traded in active markets and can ordinarily be readily disposed. However, liquidity risk will occur if an issuer becomes credit-impaired or if the relevant market becomes illiquid. In such a case, it may not be possible to initiate or liquidate a position at a price

deemed by the Manager to be demonstrating fair value. Liquidity risk may be temporary or may last for extended periods. The Trust invests in securities that form part of the benchmark index. Benchmark indices are constructed from index rules requiring securities to have a specified minimum trading volume, which, although not guaranteeing liquidity, provides an indication of the liquid nature of the securities underlying the Trust. The Trust is exposed to withdrawals and contributions that are invested to ensure that exposure to the benchmark index is maintained to meet the investment objective of the Trust.

Additionally, the Trust may use index futures contracts to a limited extent, to maintain full exposure to the index, maintain liquidity and minimise transaction costs. The Trust may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity.

Liquidity risk is not significant to the Trust.

**Management of Liquidity Risk.** To meet redemption requests and raise cash from the portfolio, daily reports of capital share activity are provided by the Administrator to facilitate the daily cash forecast, cash monitoring and portfolio management processes.

Subject to certain circumstances as detailed in the Prospectus, negative impacts to liquidity or transaction costs caused by significant unitholder redemptions may be mitigated through the available liquidity measures including, but not limited to, the use of (a) swing pricing policies, (b) distribution of underlying investments rather than cash, subject to certain conditions, in which case the unitholder may bear the cost of charges incurred in connection with the sale of such underlying investments, (c) limiting the maximum amount of daily redemptions when total redemption requests for the day exceed 10%, or (d) temporary suspension of dealing in units. Should the Trust require, they also have access to a syndicated line of credit for temporary or emergency purposes (as disclosed in Note 22).

**(e) Credit Risk.** Credit risk is the risk that a counterparty to a transaction or an issuer of a financial instrument will fail to pay interest and principal when due, or that perceptions of the issuer's ability to make such payments will cause the price of an investment to decline. Investment in debt securities or use of derivative contracts will generally create credit risk.

Credit risk exposure is also created through interactions with brokers and custodians. However, transactions in listed securities are settled and paid for upon delivery of securities using only approved brokers. The risk of default is therefore considered minimal because securities are delivered only when the broker has made payment and the broker is paid for purchases only once the securities have been received by the Depositary.

Credit risk may also arise from assets of the Trust which are substantially all held by the Depositary. Bankruptcy or insolvency of the Depositary may cause certain rights with respect to securities and other positions held to be delayed or limited. As of 31 July 2023, the Depositary has a long-term credit rating of AA from Fitch (31 July 2022: AA). Additionally, the Depositary ensures there is legal separation of non-cash assets held in custody, that such assets are held on a fiduciary basis, and that appropriate internal control systems are maintained such that records clearly identify the nature and amount of all assets under custody. All securities held in custody by the Depositary are segregated from the Depositary's own assets, whether in a vault, in segregated accounts on the books of sub-custodians, or in an account maintained at a central securities depositary. The Depositary maintains segregated accounts per client on its own books as well as on the books of sub-custodians in local markets, where possible.

**Management of Credit Risk.** Credit risk is managed by investment policies which restrict or place limits on acceptable portfolio and net asset concentrations as well as exposure to certain instruments, credit institutions and counterparties. The Investment Adviser performs daily reviews of portfolio attributes, such as sector diversification and credit quality, and adjusts where necessary to ensure that credit risk components of the Trust closely match those of the benchmark. An approved counterparty list is maintained, and trading with approved counterparties is enforced.

## 6. Net Capital Gains/(Losses)

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
Non-Derivative Securities	29,721,369	35,043,718
Futures Contracts	(484,503)	2,208,708
Forward Currency Contracts	(70,436)	(131,537)
Gains/(Losses) on Foreign Exchange	32,299	143,901
<b>Net Capital Gains/(Losses) on Investments</b>	<b>29,198,729</b>	<b>37,264,790</b>

## 7. Purchases, Sales and Transaction Costs for the Year

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
<b>Purchases Excluding Transaction Costs:</b>		
Equities	325,699,096	316,059,256
Collective Investment Schemes	5,015,808	3,128,879
Purchases in the Year Before Transaction Costs	330,714,904	319,188,135
<b>Commissions</b>		
Equities	58,474	43,590
Collective Investment Schemes	501	429
Total Commissions	58,975	44,019
<b>Taxes</b>		
Equities	1,578,461	1,516,716
Collective Investment Schemes	21,946	12,202
Total Taxes	1,600,407	1,528,918
<b>Total Purchase Transaction Costs</b>	<b>1,659,382</b>	<b>1,572,937</b>
<b>Purchases Including Transaction Costs</b>	<b>332,374,286</b>	<b>320,761,072</b>
<b>Sales Excluding Transaction Costs:</b>		
Equities	73,697,480	100,686,389
Collective Investment Schemes	500,983	561,094
Sales in the Year Before Transaction Costs	74,198,463	101,247,483
<b>Commissions</b>		
Equities	(10,766)	(19,961)
Collective Investment Schemes	(39)	(112)
Total Commissions	(10,805)	(20,073)
<b>Taxes</b>		
Equities	(249)	(307)
Collective Investment Schemes	(9)	(6)
Total Taxes	(258)	(313)
<b>Total Sales Transaction Costs</b>	<b>(11,063)</b>	<b>(20,386)</b>
<b>Sales Net of Transaction Costs</b>	<b>74,187,400</b>	<b>101,227,097</b>

Total transaction cost expressed as a percentage of transaction value:

	Purchases		Sales	
	For the Year Ended 31 July 2023 (%)	For the Year Ended 31 July 2022 (%)	For the Year Ended 31 July 2023 (%)	For the Year Ended 31 July 2022 (%)
<b>Commissions</b>				
Equities	0.02	0.01	(0.01)	(0.02)
Collective Investment Schemes	0.01	0.01	(0.01)	(0.02)
<b>Taxes</b>				
Equities	0.48	0.48	—	—
Collective Investment Schemes	0.44	0.39	—	—

Total transaction cost expressed as a percentage of average net assets:

	For the Year Ended 31 July 2023 (%)	For the Year Ended 31 July 2022 (%)
Commissions	0.01	0.01
Taxes	0.16	0.20

Transaction costs are incurred when buying and selling financial instruments. These costs can be direct, as in the case of brokerage or dealer commissions or taxes due on equity securities and futures contracts. However, transaction costs can also be indirect, as in the case of debt securities and currency forwards. Transaction costs for collective investment schemes can be both direct or indirect depending on the nature of the transaction and the scheme itself. Indirect transaction costs do not form part of the transaction cost disclosure above. Additionally, all derivative instruments have been excluded from the above analysis, as the initial net cash outlay to enter into a position is not comparable to the instruments' settlement or notional value and therefore not comparable to the debt, equity and collective investments schemes as presented.

The average portfolio dealing spread:

	For the Year Ended 31 July 2023 (%)	For the Year Ended 31 July 2022 (%)
Vanguard FTSE 100 Index Unit Trust	0.03	0.04

## 8. Revenue

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
Equity Dividends	38,265,397	28,564,073
Bank and Other Interest	305,794	12,090
Property Revenue from REITs	402,179	289,622
Interest Income - Cash Held at Broker	28,618	3,218
<b>Total Revenue</b>	<b>39,001,988</b>	<b>28,869,003</b>

## 9. Expenses

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
<b>Expenses to the Manager or Associates of the Manager, and Agents of Either of Them:</b>		
Management Charge	600,647	449,992
<b>Other Expenses:</b>		
Interest Expense	63	255
Interest Expenses – Cash Held at Broker	117	—
<b>Total Expenses</b>	<b>600,827</b>	<b>450,247</b>

## 10. Taxation

### (a) Tax Charge Analysis

Analysis of the tax charge for the year:

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
Overseas Tax	25,746	72,249
<b>Current Tax Charge</b>	<b>25,746</b>	<b>72,249</b>
<b>Total Tax Charge (Note 10b)</b>	<b>25,746</b>	<b>72,249</b>

**(b) Tax Charge Factors**

Factors affecting the total tax charge for the year:

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
<b>Net Revenue Before Taxation</b>	<b>38,401,161</b>	<b>28,418,756</b>
Return on Ordinary Activities Before Taxation	38,401,161	28,418,756
<b>Return on Ordinary Activities Before Taxation at the Applicable Rate of Corporation Tax in the UK of 20% (2022: 20%)</b>	<b>7,680,232</b>	<b>5,683,751</b>
<b>Effects of:</b>		
Movement in Excess Expenses	3,963	34,846
Non-Taxable Equity Dividends	(7,653,079)	(5,712,816)
Non-Taxable Property Revenue From UK REITs — Non-PID (Property Income Distribution)	(31,116)	(5,781)
Irrecoverable Overseas Tax	25,746	72,249
<b>Total Tax Charge (Note 10a)</b>	<b>25,746</b>	<b>72,249</b>

**(c) Future Tax Charge**

The Trust has surplus management expenses that have resulted in an unrecognised deferred tax asset of £84,549 (2022: £80,586).

This asset has not been recognised in the Financial Statements as the Trust's current investment strategy is unlikely to generate sufficient taxable profits in the future to enable the value of this asset to be realised.

**11. Distributions**

The distributions take account of equalisation received on the creation of units and deducted on cancellation of units, and comprise:

	For the Year Ended 31 July 2023 (£)	For the Year Ended 31 July 2022 (£)
Final	43,886,559	32,628,388
<b>Add:</b> Equalisation Deducted on Cancellation of Units	2,360,184	3,001,829
<b>Deduct:</b> Equalisation Received on Issue of Units	(7,871,332)	(7,283,709)
<b>Distributions</b>	<b>38,375,411</b>	<b>28,346,508</b>

There was not a material difference between Net Revenue After Taxation shown in the Statement of Total Return and Distributions shown in the Statement of Total Return.

**12. Debtors**

	As at 31 July 2023 (£)	As at 31 July 2022 (£)
Amounts Receivable for Issue of Units	1,268,602	343,589
Dilution Adjustment Receivable	224	224
Accrued Dividends and Bank Interest	2,996,400	2,250,636
Overseas Tax Recoverable	84,066	82,759
<b>Total Debtors</b>	<b>4,349,292</b>	<b>2,677,208</b>

**13. Cash and Bank Balances and Bank Overdrafts**

	As at 31 July 2023 (£)	As at 31 July 2022 (£)
Amounts Held at Futures Clearing Houses and Brokers	298,395	322,032
Cash and Bank Balances	5,851,771	4,419,959
<b>Total Cash and Bank Balances</b>	<b>6,150,166</b>	<b>4,741,991</b>

**14. Distributions Payable**

Distributions payable for the 2022-23 year can be found in the Balance Sheet.

**15. Other Creditors**

	As at 31 July 2023 (£)	As at 31 July 2022 (£)
Amounts Payable for Cancellation of Units	423,537	259,421
Accrued Management Charge	58,607	41,067
<b>Total Other Creditors</b>	<b>482,144</b>	<b>300,488</b>

**16. Capital Commitments and Contingent Liabilities**

The Funds had no capital commitments or contingent liabilities at year-end (31 July 2022: Nil).

**17. Efficient Portfolio Management**

The Trust may employ investment techniques and use financial derivative instruments (such as futures contracts, forward foreign currency contracts, options and swaps) for efficient portfolio management of the assets of the Trust, including hedging against market movements, currency exchange or interest rate risks. Any investment technique or use of financial derivative instruments must be one which is reasonably believed by the Investment Adviser to be economically appropriate in that it is realised in a cost-effective way.

**18. Related Party and Affiliate Transactions**

Parties are related if one can control or exercise significant influence over the other in making financial or operational decisions. The directors, the Manager and Investment Adviser, and members of the group of which these entities are a part, as well as any sub-investment manager or their delegates, are considered related parties.

**Manager.** Vanguard Investments UK, Limited, is the Manager and acts as a principal in respect of all transactions of units in the Trust. For its services, the Manager receives a fixed single fee per unit class (the "Management Charge") calculated on a daily basis per unit class and is paid monthly. Out of the fees received, the Manager pays for any sub-advisers, as well as the costs of administration including audit, depositary, legal, registration and regulatory fees associated with the Trust. Any amounts due from or to the Manager at the end of the accounting year are disclosed in Notes 12 and 15. Fees earned by the Manager are disclosed in Note 9.

Annual Management Charge for each unit class:

	As at 31 July 2023 (%)	As at 31 July 2022 (%)
GBP Acc and Inc Units	0.06	0.06

**Investment Adviser.** Vanguard Global Advisers, LLC, is the Investment Adviser to the Trust. The Investment Adviser is compensated by the Manager.

The Investment Adviser or the Manager, at their discretion, may appoint other companies from within the Vanguard Group of Companies to provide investment management and advisory services with respect to the Trust.

## 19. Unit Reconciliation

Reconciliation of the unit movements in the year:

	GBP Acc	GBP Inc
Opening Units in Issue	5,763,417	956,947
Creations During the Year	2,167,046	294,769
Cancellations During the Year	(701,048)	(167,709)
<b>Closing Units in Issue</b>	<b>7,229,415</b>	<b>1,084,007</b>

## 20. Fair Value Hierarchy

As at:

	31 July 2023 Assets	31 July 2023 Liabilities	31 July 2022 Assets	31 July 2022 Liabilities
Basis of Valuation	(£)	(£)	(£)	(£)
Level 1: Quoted Prices	1,165,129,354	—	877,322,955	—
Level 2: Observable Market Data	3,319	(259)	1,473	(13,004)
Level 3: Unobservable Data	—	—	—	—
<b>Total</b>	<b>1,165,132,673</b>	<b>(259)</b>	<b>877,324,428</b>	<b>(13,004)</b>

## 21. Auditors' Remuneration

Audit fees incurred on behalf of the Trust by the Manager were £10,780 excluding VAT (2022: £10,075)

## 22. Credit Facility

The Trust and certain other funds managed by the Manager and its affiliates participate in an annually renewable USD \$4.3 billion (2022: USD \$4.4 billion) committed credit facility. Each participating fund is individually liable for its borrowings under the credit facility. Borrowings may be utilised for temporary or emergency purposes and are subject to the participating fund's regulatory and contractual borrowing restrictions. Participating funds are allocated an annual commitment fee of 0.10% of the undrawn facility amount as well as certain administrative fees. Any fees allocated to the Trust are paid by the Manager. Interest and direct borrowing costs associated with draws on the credit facility are charged to the Trust and recorded in the Statement of Total Returns. The rate charged for borrowings under this facility is linked to the currency borrowed. Borrowings in US Dollars will bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. Borrowings in currencies other than the US Dollar will bear interest at an agreed-upon spread plus the Euro Interbank Offered Rate, the Daily Simple Euro Short Term Rate, the Swiss Average Rate Overnight, the Sterling Overnight Index Average, or the Tokyo Interbank Offered Rate, as applicable.

The Trust did not have any borrowings outstanding at 31 July 2023 or at any time during the year then ended (31 July 2022: Nil).

## 23. Events After the Balance Sheet Date

Management has determined that no events or transactions occurred subsequent to 31 July 2023 that would require recognition or disclosure in these financial statements.



## Further Information

### Reports and Financial Statements

Each year, annual and interim reports will be prepared. They will describe investment activity during the year and provide management commentary.

Recipients of this document should not treat the contents as advice relating to legal, taxation or investment matters and should consult their own professional advisers concerning the acquisition, holding or disposing of investments in the Trust.

Past performance is not necessarily indicative of future performance, and the value of the units and income from them may fall as well as rise.

On redemption of units, investors may receive back an amount less than the original amount of their investment.

The assets of the Trust will be in a variety of currencies, and therefore movements in the value of currencies may affect the value of an investor's holdings and the income from the holdings may fluctuate in value in money terms.

### Prospectus

The Prospectus, an important document describing the Trust in detail, is available from the Manager, which is responsible for the management and administration of the Trust.

The Manager of the Trust is Vanguard Investments UK, Limited, located at 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF.

### Types of Units Available

The Trust offers one class of units, GBP, with Income Units and Accumulation Units available in this class.

### Distributions

The Trust allocates income annually, on 31 July.

### Publication of Prices

The most recent unit prices are published daily on <https://global.vanguard.com>.

### Task Force on Climate-related Financial Disclosures

We are pleased to publish the Vanguard UK Report on Climate-related Impacts 2022. The report is aligned to recommendations provided by the Task Force on Climate-related Financial Disclosures which are designed to encourage comparable reporting by companies on climate-related risk and opportunities in four areas: (i) Governance, (ii) Strategy, (iii) Risk Management and (iv) Metrics and Targets. [The report contains disclosures in relation to Vanguard UK subsidiaries, Vanguard Asset Management, Limited and Vanguard Investments UK, Limited to meet the requirements set out in the Financial Conduct Authority's Environmental Social and Governance sourcebook.] The latest report can be found at <https://www.vanguardinvestor.co.uk/content/dam/intl/europe/documents/en/tcfd-climate-change-report.pdf>.

### Remuneration Disclosure

The Vanguard UK Consolidation Group publishes annually its Pillar 3 disclosures including certain information on remuneration. The latest Pillar 3 disclosures can be found at <https://www.ie.vanguard/product-documentation/reports-policies>.

Vanguard personnel providing services to the Manager are subject to the Vanguard European Remuneration Policy (the "Remuneration Policy"). The Remuneration Policy includes the remuneration requirements of the UCITS Remuneration Code (SYSC 19E of the FCA Handbook of Rules and Guidance) which implements the UCITS V Directive (2014/91/EU) in the UK. Details of the Remuneration Policy are available through <https://www.vanguard.co.uk/professional/important-investment-information>, which will be updated periodically to reflect changes to the policy.

The governance of remuneration within Vanguard Europe is undertaken through a tiered structure, including Vanguard's Global Remuneration Committee and the Vanguard European Leadership Team together with local entity boards of directors. The Global Remuneration Committee also operates at The Vanguard Group level and oversees the overall compensation programmes of The Vanguard Group. The relevant local entity board of directors, together with the Vanguard European Leadership Team is responsible for implementing the remuneration programmes in accordance with Vanguard's total rewards philosophy and global organisation, including overseeing the Remuneration Policy.

The Remuneration Policy provides for an appropriate balance of fixed salary; benefits, such as pension; and annual bonus and long-term incentive arrangements. Incentives are based on the overall business performance of The Vanguard Group, or individual, team, business unit and fund performance. The incentive plans are reviewed and approved by the Global Remuneration Committee and the Vanguard European Leadership Team (and other applicable groups) in order to ensure that plans appropriately assess financial and non-financial performance and do not encourage conflicts of interest, and to ensure that risk or compliance issues are appropriately reflected.

The Manager's board of directors also reviews and approves the list of UK UCITS code staff annually. Identified code staff are notified and understand the code staff responsibilities.

Under the UCITS V Directive (as implemented in the UK), the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year, split into fixed and variable remuneration. The table below presents the aggregate total remuneration paid to staff who provide services to the Trust and the aggregate total remuneration paid to all relevant UK UCITS code staff.

The board of directors of the Manager reviews the Remuneration Policy on at least an annual basis and approves any updates. Through the regular review process (including a central, internal review), the board continues to be satisfied with the implementation of the principles of the Manager's remuneration policy and approach.

	Headcount <sup>1,2</sup>	Total Remuneration (£) <sup>3</sup>
<b>Funds, of which</b>		<b>30,740,977</b>
Fixed Remuneration	825	20,356,916
Variable Remuneration	825	10,384,061
Performance Fees	n/a	n/a
<b>UCITS Code Staff, of which</b>	<b>25</b>	<b>4,431,929</b>
Senior Management	24	4,324,261
Other Code Staff	1	107,668

1 This is the total number of employees who are fully or partly involved in the activities of the Trust. Includes both crew who have terminated during the year and part-year MRTs.

2 The staff in this table may provide services to other entities within The Vanguard Group.

3 The remuneration disclosed is the total remuneration received by staff and is apportioned based on total assets under management.

Remuneration reflects fixed pay (salary) and performance-related pay (annual and long-term incentives). Individual incentive outcomes under the plans are based on performance assessed by reference to an appropriate balance of quantitative and qualitative measures, such as behaviour, including compliance with all applicable policies. The individual incentive outcome is fully discretionary and, if appropriate, outcomes based on financial performance can be overridden based on the qualitative measures.

#### Assessment of Value

Under rules laid out in COLL 6.6.20R of the Financial Conduct Authority's Handbook, the Manager is required to inform investors annually whether its funds are providing value to investors and then publish an annual statement summarising the outcome of this process. Details of the statement are available at [https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/assessment-of-value\\_uk-en.pdf](https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/assessment-of-value_uk-en.pdf).

Issued by Vanguard Investments UK, Limited  
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# Directory

## **Authorised Fund Manager ("the Manager")**

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

## **Directors of the Manager**

John Bendl  
Robyn Laidlaw  
Paul Jakubowski  
Maureen Erasmus  
Daniel Waters

## **Administrator and Registrar**

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SS&C Financial Services Europe Limited  
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United Kingdom

## **Investment Adviser**

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## **The Trustee**

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## **Independent Auditors**

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This report is intended for the Trust's unitholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current Trust Prospectus.

All comparative mutual fund data are from Lipper, a Thomson Reuters Company, or Morningstar, Inc., unless otherwise noted.

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