

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Vanguard ESG Global Corporate Bond UCITS ETF (the "Fund")

A sub-fund of Vanguard Funds PLC

GBP Hedged Accumulating ISIN: IE00BND51T77

Manager: Vanguard Group (Ireland) Limited ("VGIL")

Objectives and investment policy

- The Fund employs a passive management – or indexing – investment approach, through physical acquisition of securities, and seeks to track the performance of the Bloomberg MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index (the "Index").
- The Fund invests in a multi-currency portfolio of investment grade corporate fixed-rate bonds from both developed and emerging market issuers that consists of a representative sample of the component securities of the Index.
- The Index is constructed from the Bloomberg Global Aggregate Float-Adjusted Corporate Index (the "Parent Index") which represents a similar investment universe which is then screened for certain environmental, social, and corporate governance criteria (the "ESG criteria") by Bloomberg as the sponsor of the Index, which is independent of Vanguard.
- The Fund promotes environmental and social characteristics by excluding securities based on the impact of the issuer's conduct or products on society and / or the environment. This is met by tracking the Index.
- The Index excludes issuers that engage in activities in, and/or derive revenue (above a threshold specified by Bloomberg) from, certain business segments of the following: adult entertainment, alcohol, gambling, tobacco, nuclear weapons, controversial or conventional weapons, civilian firearms, nuclear power, thermal coal, oil, or gas.
- The Index excludes the bonds of issuers that have a controversy score of less than one as defined by MSCI's ESG controversies assessment framework (or which have not been assessed by MSCI).
- Where there is insufficient data available to adequately assess a particular issuer against the ESG criteria, it is possible that bonds of that issuer may not be excluded from the Index until such time as they may be determined to be ineligible by MSCI.
- The Fund may also hold fixed-rate government and corporate bonds that are not component securities of the Index, but whose risk and return characteristics closely resemble the risk and return characteristics of constituents of the Index or of the Index as a whole.
- The Fund's investments will, at the time of purchase, comply with the ESG criteria, except as otherwise described below or in the Supplement. In circumstances where the Fund holds securities which do not comply with the ESG criteria (including in circumstances where MSCI has insufficient data to assess the issuer against the ESG criteria) the Fund may hold such securities until such time as they are removed from the Index and it is possible and practicable (in the investment manager's view) to liquidate the position.
- The Fund may use derivatives in order to reduce risk or cost and/or generate extra income or growth. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value. A derivative is a financial contract whose value is based on the value of a financial asset (such as a share, bond, or currency) or a market index. Derivatives on an index (e.g. swaps,

futures) may contain some underlying constituents which may not meet the ESG criteria.

- The base currency of the Fund is USD.
- The Fund invests in securities which are denominated in currencies other than the base currency. Movements in currency exchange rates can affect the return of investments. Currency hedging techniques are used to minimise the risks associated with movements in currency exchange rates but these risks cannot be eliminated entirely. As this document relates to a hedged share class, the performance of this share class in the "Past performance" section below is shown against the Bloomberg MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index Hedged in GBP (the "Hedged Index"), a currency hedged version of the Index.
- The Fund may not be appropriate for short-term investment.
- This share class is an accumulating share class and the Directors do not intend to declare a dividend. Income will be reinvested and reflected in the price of shares in the Fund.
- ETF Shares are listed on one or more stock exchange(s). Subject to certain exceptions set out in the Prospectus, investors who are not Authorised Participants may only buy or sell ETF Shares through a company that is a member of a relevant stock exchange at any time when that stock exchange is open for business.
- Portfolio transaction costs will have an impact on performance.
- Shares can be bought or sold on a daily basis (save on certain bank holidays or public holidays and subject to certain restrictions described in the Supplement) by submitting an application in writing or by telephone. A full list of the days on which shares cannot be bought or sold is available on <https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11628>

For further information about the objectives and investment policy of the Fund, as well as the limited relationship with the Index provider, please see the supplement for the Fund (the "Supplement") and Appendix 6 of the Vanguard Funds plc Prospectus (the "Prospectus") on our website at <https://global.vanguard.com>

Risk and reward profile



1	2	3	4	5	6	7
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- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean "risk free".
- The Fund is rated 4 due to the nature of its investments which include the risks listed below. These factors may impact the value of the Fund's investments or expose the Fund to losses.
 - The value of bonds and fixed income-related securities is affected by influential factors such as interest rates, inflation, credit spreads and volatility which, in turn, are driven by other factors including political, economic news, company earnings and significant corporate events.
 - Movements in currency exchange rates can adversely affect the return of your investment.
 - Emerging markets are generally more sensitive to economic and political conditions than developed markets. Other factors include greater 'Liquidity Risk', restrictions on investment or transfers of assets and failed/delayed delivery of securities or payments to the Fund.
 - Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised

economic, market, political or regulatory events.

The risk and reward indicator does not take account of the following risks of investing in the Fund:

- Counterparty risk. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- Liquidity risk. Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily which could cause the Fund to incur higher costs when buying or selling investments or could mean that the Fund is not able to buy or sell investments when it would like to do so.
- Index tracking risk. The Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.
- Index sampling risk. As the Fund uses a representative sample of securities to represent the Index, there is the risk that the securities selected for the Fund may not, in the aggregate, approximate the full Index.
- Credit risk. The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.
- ESG risk. The Index screens out possible investments which do not meet the ESG criteria. This may affect the Fund's exposure to certain issuers and cause the Fund to forego certain investment opportunities. The Fund may perform differently to other funds, including underperforming funds that do not seek to screen investments in this way.

- **Index Accuracy Risk.** There is no assurance that the Index provider will compile the Index accurately or that the Index will be determined, composed or calculated correctly.
- **Unscheduled rebalancing risk.** Apart from scheduled rebalances, the Index provider may carry out additional ad hoc rebalances to the Index.

- **Inflation risk.** The value of your investments may not be worth as much in the future due to changes in purchasing power resulting from inflation.

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

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge*	None
Exit charge*	None
Charges taken from the Fund over a year	
Ongoing charges	0.15%
Charges taken from the Fund under certain specific conditions	
Performance fee	None

This is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out.

Investors who are not Authorised Participants (“APs”) may have to pay fees to a stockbroker when you buy or sell on stock exchange(s). The fees are available directly from your stockbroker and are not charged by, or payable to, the Fund.

The entry and exit charges shown are maximum figures and in some cases you might pay less. Investors can find out the actual entry and exit charges from their distributor.

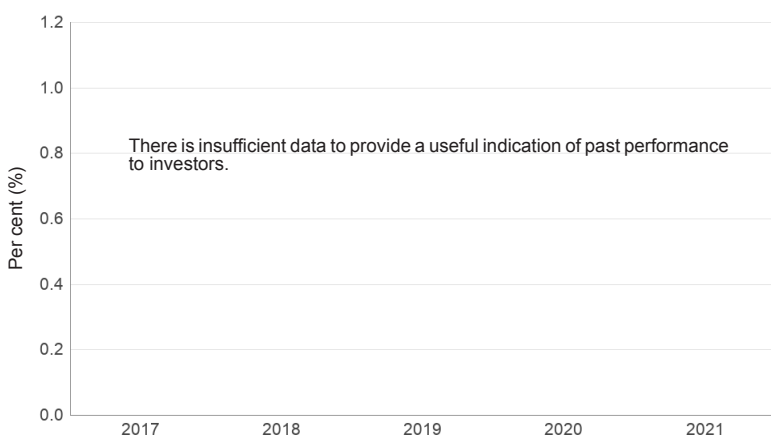
APs dealing directly with the Fund will pay related transaction costs. For cash creations or redemptions there may be a cash transaction fee of a maximum of 2% which is paid to the Fund, and all transactions will have associated transaction costs. Investors who are not APs will not pay these fees or costs.

* In the case of a large subscription or redemption by an investor, that investor may have to pay an additional charge (e.g. anti-dilution levy) to the Fund to cover transaction costs incurred.

The ongoing charges figure is based on expenses for the year ended 31 December 2021. This figure may vary from year to year. It excludes portfolio transaction costs.

For further information about charges, please see the Supplement and the sections entitled “Buying Shares”, “Redeeming Shares”, and “Fees and Expenses” in the Prospectus on our website at <https://global.vanguard.com>

Past performance



- Shares in the Fund were first issued in 2021. This share class was launched in 2021.

Practical information

- **Depository:** The Vanguard Funds plc (“VF”) depository is Brown Brothers Harriman Trustee Services (Ireland) Limited.
- **Documents, prices of shares and further information:** You can obtain copies of the Prospectus and, when available, the latest annual and semi-annual report and accounts for VF, along with the latest published prices of shares and other information on the Fund, free of charge from VF c/o Brown Brothers Harriman Fund Administration Services (Ireland) Limited, 30, Herbert Street, Dublin 2, Ireland (tel. 353-1-241-7105) or from our website at <https://global.vanguard.com>; Information on the Fund’s portfolio disclosure policy and publication of the iNAV can be obtained at <https://global.vanguard.com/portal/site/portal/ucits-documentation>. These documents are available in English only.
- **Sub-funds:** VF is an umbrella Fund with segregated liability between sub-funds. This means that the holdings of the Fund are maintained separately under Irish law from holdings of other sub-funds of VF and your investment in the Fund will not be affected by any claims against any other sub-fund of VF.
- **Prices:** The last published prices of units in the Fund are also available from the FT’s website www.ft.com or <https://global.vanguard.com>
- **Shares:** ETF Shares in the Fund may not be exchanged for ETF Shares in any other sub-funds of VF, however APs may, with prior approval, switch ETF Shares in the Fund to a different share class of the same Fund, where other share classes are available.
- **Liability:** VGIL may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for this Fund.
- **Tax:** VF is subject to the tax laws of Ireland. Depending on your country of residence, this may have an impact on your personal tax position. You are recommended to consult your professional tax adviser.
- **Remuneration policy:** Details of VGIL’s Remuneration Policy are available at <https://global.vanguard.com/portal/site/portal/ucits-investment-information>, including: (a) a description of how remuneration and benefits are calculated; and (b) the identities of persons responsible for awarding remuneration and benefits. A paper copy of these details may be obtained, free of charge, on request from VGIL at 70 Sir John Rogerson’s Quay, Dublin 2, Ireland.