



Vanguard Funds plc
70 Sir John Rogerson's Quay
Dublin 2
Ireland

This notice (the “**Notice**”) is sent to Shareholders of the Vanguard ESG Global Corporate Bond UCITS ETF, a sub-fund of Vanguard Funds plc (the “**Company**”). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, solicitor or attorney or other professional advisor. If you sold or otherwise transferred your holding in the Vanguard ESG Global Corporate Bond UCITS ETF, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the “Central Bank”) and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The directors of the Company (the “Directors”) are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank.

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility for the information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the prospectus for the Company dated 10 December 2021 (the “**Prospectus**”).

**LETTER FROM THE BOARD TO THE SHAREHOLDERS OF
VANGUARD ESG GLOBAL CORPORATE BOND UCITS ETF (THE “SUB-FUND”)**

Vanguard Funds plc

*70 Sir John Rogerson's Quay
Dublin 2
Ireland*

*(An open-ended umbrella type variable capital company, with segregated liability between sub-funds, established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “**UCITS Regulations**”).*

19 January 2022

Dear Shareholder,

We are writing to you as a Shareholder of the Sub-Fund, to advise you of the following:

*An umbrella fund with segregated liability between sub-funds
Irish Company Registration No. 499158*

Directors: Peter Blessing (Ireland), Tara Doyle (Ireland), William Slattery (Ireland), Michael S. Miller (U.S.A.), Sean Hagerty (U.S.A.), Ann Stock (United Kingdom), Robyn Laidlaw (New Zealand), Karin Risi (U.S.A.)

The Sub-Fund seeks to track the performance of the Bloomberg MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index (the “**Index**”), an ESG screened index. Bloomberg (“**Bloomberg**”), being the Index sponsor, has notified the Company that it intends to make certain changes to the Index methodology with effect from on or around 1 April 2022, in line with the scheduled Bloomberg re-balancing of the Index (the “**Effective Date**”).

Proposed Changes to the Index Methodology

There is no change to the Investment Objective of the Sub-Fund as a result of the update articulated below, with the Sub-Fund continuing to seek to track the performance of the Index, and there will also be no material alteration to Sub-Fund’s risk profile or sectoral / country exposures. You are not required to take any action in respect of the proposed changes.

The methodology changes being made by Bloomberg relate to (a) changes in revenue thresholds used in determining whether or not a security of an issuer is eligible for inclusion in the Index and/or (b) changes to the permitted level of involvement (i.e., primary and secondary involvement) of an issuer in the following categories: alcohol, gambling, adult entertainment, tobacco, conventional weapons, and civilian firearms. Additionally, exclusion of genetically modified organisms will no longer be a screen applied by the Index.

The Primary Investment Strategies section of the supplement for the Sub-Fund, which forms part of the Prospectus, will also be updated, where relevant, to reflect consistency with the revised index methodology description by which Bloomberg screens for environmental and social characteristics. This will primarily relate to the removal of any existing reference to “genetically modified organisms”. The updated Index description can be found in the Appendix to this Notice.

With effect from the proposed Effective Date, up to date details as to the Index’s exact composition, methodology, exclusions and any revenue thresholds, can be obtained at <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits>

Secondary market investors

Please note that investors buying and selling shares of the sub-funds of the Company through a broker/market maker/Authorised Participant, and/or investors who hold shares through a nominee and/or clearing agent, will not appear in the Register of Shareholders. Such investors should deal directly with the relevant broker, market maker/Authorised Participant, nominee or clearing agent (as relevant) in respect of their investment.

This Notice will be sent by the Company to the Common Depositary’s Nominee for transmission to the International Central Securities Depository (“**ICSD**”, i.e. the clearing and settlement system(s) used in issuing Shares through the ICSD settlement system), who in turn disseminate the Notice to the member firm / stockbroker / ICSD participant for onward transmission to any underlying investors.

The Company has no obligations other than the delivery of the information to the Common Depositary’s Nominee and cannot control the onward dissemination of any such information to investors.

If you have queries concerning the matters outlined in this Notice, please contact your tax advisor, local agent, or (if none) Vanguard Asset Management, Limited on +44 203 753 4305.

Yours faithfully,

A handwritten signature in black ink, appearing to read "L. Hagat". The signature is written in a cursive style with a long horizontal stroke at the end.

**For and on behalf of
Vanguard Funds plc**

Appendix

The Index is constructed from the Bloomberg Global Aggregate Float Adjusted Corporate Index (the “**Parent Index**”) which represents a multi-currency universe of investment grade corporate fixed-rate bonds from both developed and emerging markets issuers, screened for certain environmental, social, and corporate governance criteria by the sponsor of the Index, which is independent of Vanguard. The Index excludes the bonds of issuers that MSCI determines engage in activities in, and/or derive revenue (above a threshold specified by the Index Provider) from, certain business segments of the following: adult entertainment, alcohol, gambling, tobacco, nuclear weapons, controversial weapons, conventional weapons, civilian firearms, nuclear power, or thermal coal, oil, or gas. The index methodology also excludes the bonds of issuers that, as determined by MSCI, have no controversy score or a controversy score of less than one as defined by MSCI’s ESG controversies assessment framework.

Further information in relation to the Index, including current details as to its exact composition, methodology, exclusions and any revenue thresholds, can be obtained at <https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits>