



VANGUARD EXPANDS ACTIVE FIXED INCOME FUND LINE-UP WITH LAUNCH OF EMERGING MARKETS BOND FUND

3 December 2019 - Vanguard today launched the Vanguard Emerging Markets Bond Fund. The new actively managed fund provides UCITS investors with broad exposure to an important asset class that is often under-represented in portfolios.

The fund will seek to provide total return while generating a moderate level of income by investing primarily in a broadly diversified portfolio of debt issued by emerging market countries.

The fund will be managed by Vanguard's global emerging market and sovereign debt team, led by Daniel Shaykevich. The emerging market and sovereign debt team was formed in 2013 and manages globally over USD10 billion in actively managed assets across Vanguard funds, applying a robust investment process. The team has built up a highly successful track record through its US-domiciled emerging markets debt (EMD) strategy, with assets of around USD400m globally¹.

The fund sits alongside the actively managed Vanguard Global Credit Bond Fund and complements the firm's existing fixed income index funds, including the Vanguard USD Emerging Markets Government Bond UCITS ETF and Vanguard Global Bond Index Fund.

Paul Jakubowski, Vanguard's Head of Investment in Europe, comments: "Emerging markets debt is an asset class where we've seen a lot of performance differentiation among active managers. We believe a strong team and a rigorous investment process can really make a difference in delivering consistent alpha. Vanguard has deep roots in active management and we firmly believe that there is a role for both low-cost active and index funds to give investors the best chance for investment success."

¹ Source: Vanguard, as at 31 October 2019

Nick Eisinger, Emerging Markets Strategy Head and Research Lead at Vanguard, adds:

“Emerging markets debt remains under-represented in the main global fixed income indices. As a result, many investors are underweight in this asset class and may wish to consider this fund as part of a well-diversified portfolio. The fund aims to capitalise on best-in-class opportunities, be it across countries, specific bonds or areas of the market.”

Built on Vanguard’s strong fixed income expertise

Vanguard has been managing fixed income for almost four decades and currently manages globally around USD1.4 trillion in fixed income assets. Vanguard has approximately USD5.9 trillion in assets under management globally with more than USD200 billion of those assets invested in our Ireland and UK-domiciled mutual fund and ETF ranges. Around USD1.4 trillion of Vanguard’s total global assets are managed actively².

The fund is actively managed and benchmarked against the J.P. Morgan EMBI Global Diversified Index for measuring performance. The majority of its assets will be either denominated in, or hedged back to, the US dollar. Currency hedged share classes are available.

Key Fund Characteristics³		
Management	Vanguard’s Fixed Income Group	
Domicile	Ireland	
Structure	UCITS fund	
Benchmark	J.P. Morgan EMBI Global Diversified Index	
Methodology	Active	
Base currency	USD	
Pricing	Share class	Ongoing charges figure (OCF)
	Investor USD Accumulation	0.60%
	Investor EUR Hedged Accumulation	0.60%
	Investor GBP Hedged Accumulation	0.60%
	Institutional Plus USD Accumulation	0.45%

² Source: Vanguard, as at 31 October 2019

³ Source: Vanguard, as at 3 December 2019

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Investment risk information:

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Some funds invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall.

The fund(s) may invest in financial derivative instruments that could increase or reduce exposure to underlying assets and result in greater fluctuations of the fund's Net Asset Value. Some derivatives give rise to increased potential for loss where the fund's counterparty defaults in meeting its payment obligations.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments.

ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid- offer spread which should be considered fully before investing.

Funds investing in fixed interest securities carry the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

Important Information:

Vanguard Funds plc and Vanguard Series plc have been authorised by the Central Bank of Ireland as a UCITS and has been registered for public distribution in certain EU countries. Prospective investors are referred to the Funds' prospectus for further information. Prospective investors are also urged to consult their own professional advisers on the implications of making an investment in, and holding or disposing shares of the Funds and the receipt of distributions with respect to such shares under the law of the countries in which they are liable to taxation.

The Manager of Vanguard Funds plc and Vanguard Investment Series plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management, Limited is a distributor for Vanguard Funds plc and Vanguard Investment Series plc.

For further information on the funds' investment policies, please refer to the Key Investor Information Document (KIID). The KIIDs for the share classes are available alongside the prospectus via Vanguard's website <https://global.vanguard.com/>.

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