



VANGUARD LAUNCHES TWO NEW ESG CORPORATE BOND UCITS ETFs

The two new ETFs are designed to supplement Vanguard's existing range of ESG ETFs

17 November 2022 – Vanguard today launches two new environmental, social and governance (“ESG”) focused Exchange Traded Funds (“ETFs”). The Vanguard ESG EUR Corporate Bond UCITS ETF and the Vanguard ESG USD Corporate Bond UCITS ETF are designed to serve as core building blocks for ESG-aware portfolios. The new ETFs have been listed on the London Stock Exchange (LSE), Deutsche Börse, Borsa Italiana, Six Swiss Exchange and Euronext Amsterdam.

The Vanguard ESG EUR Corporate Bond UCITS ETF tracks the Bloomberg MSCI EUR Corporate Liquid Bond Screened Index. The ETF has an ongoing charges figure (“OCF”) of 0.11% for unhedged share classes, and 0.16% for hedged shareclasses.

The Vanguard ESG USD Corporate Bond UCITS ETF tracks the Bloomberg MSCI USD Corporate Float-Adjusted Liquid Bond Screened Index. The ETF has an ongoing charges figure (“OCF”) of 0.11% for unhedged share classes, and 0.16% for hedged shareclasses.

Vanguard’s exclusionary ESG funds track benchmarks that are derived from commonly used and available market-capitalisation-weighted indices, provided by independent benchmark providers, which give a weighted exposure to companies in the relevant target markets. Vanguard’s benchmark providers then apply transparent screening criteria¹ to avoid or reduce exposure to certain industries or business activities that may not be aligned with investors ESG preferences, such as firearms, tobacco or fossil fuels.

Fong Yee Chan, head of ESG strategy, UK and Europe, said:

“At Vanguard, we take a straightforward approach to ESG that enables investors to create portfolios that incorporate their environmental, social and governance preferences and gives them the best chance for investment success. Today’s launches provide additional building

¹ For more details on our screening criteria, visit [here](#)

blocks for investors seeking to construct broadly diversified, balanced portfolios, at a low cost, in a way that aligns with their preferences.”

The new ETFs are managed by Vanguard’s Fixed Income Group, which manages more than \$1.6 trillion in assets across the globe, and draws on the diverse perspectives and knowledge of more than 170 team members².

With the addition of the new products, Vanguard now offers a range of 17 different ESG oriented investment options for European retail investors across our Irish and UK domiciled platforms, with assets of over \$6.5 billion. These are available through Vanguard UK Personal Investor (www.vanguardinvestor.co.uk), retail investment platforms and via financial advisers and wholesale intermediaries.

Fund Name	Strategy	Domicile	OCF ³
Vanguard ESG Global Corporate Bond UCITS ETF	Index	Ireland	0.15%
Vanguard ESG USD Corporate Bond UCITS ETF	Index	Ireland	0.11%
Vanguard ESG EUR Corporate Bond UCITS ETF	Index	Ireland	0.11%
Vanguard ESG Global Corporate Bond Index Fund	Index	Ireland	0.20%
Vanguard ESG Developed Asia Pacific All Cap UCITS ETF	Index	Ireland	0.17%
Vanguard ESG Developed Europe All Cap UCITS ETF	Index	Ireland	0.12%
Vanguard ESG Developed World All Cap Equity Index Fund	Index	Ireland	0.20%
Vanguard ESG Developed World All Cap Equity Index Fund (UK)	Index	U.K.	0.20%

² Source: Vanguard, as at 30 September 2022

³ Source: Vanguard, as at 17 November 2022

Vanguard ESG Emerging Markets All Cap Equity Index Fund	Index	Ireland	0.25%
Vanguard ESG Emerging Markets All Cap UCITS ETF	Index	Ireland	0.24%
Vanguard ESG Global All Cap UCITS ETF	Index	Ireland	0.24%
Vanguard ESG North America All Cap UCITS ETF	Index	Ireland	0.12%
Vanguard SRI European Stock Fund	Index	Ireland	0.14%
Vanguard SustainableLife 40-50% Equity Fund	Active	U.K.	0.48%
Vanguard SustainableLife 60-70% Equity Fund	Active	U.K.	0.48%
Vanguard SustainableLife 80-90% Equity Fund	Active	U.K.	0.48%
Vanguard Global Sustainable Equity Fund	Active	U.K.	0.48%

ENDS

Notes to editors:

Index information

The Bloomberg MSCI USD Corporate Float-Adjusted Liquid Bond Screened Index and the Bloomberg MSCI EUR Corporate Liquid Bond Screened Index are constructed from the Bloomberg Global Corporate Float-Adjusted Bond Index (the “Parent Index”) which is then screened to remove issuers with ties to certain environmental, social and corporate governance criteria by the sponsor of the Index, which is independent of Vanguard. The screening criteria are:

- Non-renewable energy including nuclear power, fossil fuels;

- Vice products including adult entertainment, gambling, alcohol and tobacco products;
- Weapons including civilian, controversial and military;
- intended for agricultural use or human consumption;
- It excludes issuers with very severe ESG Controversies or Red Flags. These include but are not limited to the standards defined by the United Nations Global Compact Principles.
- Issuers without ESG Controversy Scores from MSCI are excluded.

The Bloomberg MSCI USD Corporate Float-Adjusted Liquid Bond Screened Index and the Bloomberg MSCI EUR Corporate Liquid Bond Screened Index have the same parent index and ESG screening criteria, with an additional liquidity filter.

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Which? Recommended Provider

For four years running, Vanguard U.K Personal Investor has been named as a recommended provider by *Which?* the consumer champion. Launched in May 2017, Vanguard U.K. Personal Investor is used by over 450,000 investors (Source: Vanguard, 31 October 2022).

We have also been named a *Which?* Recommended Provider in 2022 for Self-Investment Personal Pensions for a third straight year.



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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.

Investments in smaller companies may be more volatile than investments in well-established blue chip companies

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.

The Funds 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.

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

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

Important Information:

For further information on the fund's investment policies and risks, please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions. The KIID for this fund is available, alongside the prospectus via Vanguard's website <https://global.vanguard.com>.

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Vanguard Investment Series plc and Vanguard Funds plc have been authorised by the Central Bank of Ireland as a UCITS and have been registered for public distribution in certain EEA countries and the UK. 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.

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The Authorised Corporate Director for Vanguard Investment Funds ICVC is Vanguard Investments UK, Limited. Vanguard Asset Management, Limited is a distributor of Vanguard Investment Funds ICVC.

The Indicative Net Asset Value (“iNAV”) for Vanguard’s ETFs is published on Bloomberg or Reuters. Refer to the Portfolio Holdings Policy at <https://global.vanguard.com/portal/site/portal/ucits-documentation> for holdings information.

The Manager of the Ireland domiciled funds may determine to terminate any arrangements made for marketing the shares in one or more jurisdictions in accordance with the UCITS Directive, as may be amended from time-to-time.

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For investors in Ireland domiciled funds, a summary of investor rights can be obtained via <https://www.ie.vanguard/content/dam/intl/europe/documents/en/vanguard-investors-rights-summary-irish-funds-jan22.pdf> and is available in English, German, French, Spanish, Dutch and Italian.

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