



## **VANGUARD EXPANDS ESG PRODUCT RANGE WITH TWO NEW ESG ETFS**

*New products first in targeted expansion of Vanguard's suite of ETFs for investors looking to invest in line with their values*

**18 August 2022** – Vanguard today launches two new environmental, social and governance (“ESG”) focused exchange traded funds (“ETF”). The Vanguard ESG Developed Europe All Cap UCITS ETF and the Vanguard ESG North America All Cap UCITS ETF are designed to serve as core building blocks for ESG-aware portfolios.

The Vanguard ESG Developed Europe All Cap UCITS ETF tracks the FTSE Developed Europe All Cap Choice Index, providing exposure to large, mid and small-cap stocks in developed European countries. The ETF has an ongoing charges figure (“OCF”) of 0.12%.

The Vanguard ESG North America All Cap UCITS ETF tracks the FTSE North America All Cap Choice Index, providing exposure to large, mid, and small-cap stocks in the United States of America and Canada. The ETF has an OCF of 0.12%.

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 large, medium and small companies in the relevant target markets. Our benchmark providers then apply transparent screening criteria<sup>1</sup> to avoid or reduce exposure to certain industries that many investors are concerned about, such as firearms, tobacco or fossil fuels.

Exclusionary funds offer many of the advantages of conventional index funds, including broad exposure to a market or market segment, which enables them to serve as building blocks for a broadly diversified portfolio.

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<sup>1</sup> For more details on our screening criteria, visit [https://research.ftserussell.com/products/downloads/FTSE\\_Global\\_Choice\\_Index\\_Series\\_Ground\\_Rules](https://research.ftserussell.com/products/downloads/FTSE_Global_Choice_Index_Series_Ground_Rules)

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

“Over the past couple of years, we have diligently developed our ESG range to enable investors to choose the products that best align with their preferences alongside their investment goals.

“Today’s launches are the start of the next stage in that commitment; building out our suite of “building block” ESG ETFs, designed to help investors construct ESG ETF portfolios for the long-term, at a low cost.”

The two new ETFs are managed by a Vanguard’s Equity Index Group, which manages more than \$4.8 trillion in assets across the globe, and draws on the diverse perspectives and knowledge of 57 team members.<sup>2</sup>

With the addition of the new product, Vanguard’s line-up of funds for environmentally and socially conscious investors consists of the funds and ETFs below. The funds set out below are available through Vanguard UK Personal Investor ([www.vanguardinvestor.co.uk](http://www.vanguardinvestor.co.uk)), retail investment platforms and via financial advisers and wholesale intermediaries.

Fund Name	Strategy	Domicile	OCF <sup>3</sup>
Vanguard ESG Developed Europe All Cap UCITS ETF	Index	Ireland	0.12%
Vanguard ESG North America All Cap UCITS ETF	Index	Ireland	0.12%
Vanguard ESG Global All Cap UCITS ETF	Index	Ireland	0.24%
Vanguard ESG Developed World All Cap Equity Index Fund (UK)	Index	U.K.	0.20%
Vanguard ESG Developed World All Cap Equity Index Fund	Index	Ireland	0.20%

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<sup>2</sup> Source: Vanguard, as at 31 July 2022

<sup>3</sup> Source: Vanguard, as at 18 August 2022

Vanguard ESG Emerging Markets All Cap Equity Index Fund	Index	Ireland	0.25%
Vanguard SRI European Stock Fund	Index	Ireland	0.14%
Vanguard ESG Global Corporate Bond UCITS ETF	Index	Ireland	0.15%
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 FTSE Global Choice Index Series** is constructed from the FTSE Global All Cap Index (the “Parent Index”) which is then screened for certain environmental, social, and corporate governance criteria by FTSE Russell, 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;
- Companies involved with controversies in relation to labour, human rights, environmental and anti-corruption standards, as defined by the United Nations Global Compact Principles<sup>4</sup>.

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<sup>4</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>

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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 July 2022).

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



**Disclaimers:**

**This press release is issued for journalists in their professional capacity. The information contained herein does not constitute an offer or solicitation and may not be treated as an offer or solicitation in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so.**

**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.

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:**

Vanguard Funds plc has been authorised by the Central Bank of Ireland as a UCITS and has been registered for public distribution in certain EEA countries and the UK. Prospective investors are referred to the Vanguard Funds plc prospectus and to our website [insert relevant section of website] for further information in relation to the two new ETFs including the ESG considerations relevant to their investment process. 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 is Vanguard Group (Ireland) Limited. Vanguard Asset Management, Limited is a distributor for Vanguard Funds plc.

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.

For investors in UK domiciled funds, a summary of investor rights can be obtained via <https://www.vanguard.co.uk/content/dam/intl/europe/documents/en/Vanguard-InvestorsRightsSummaryUKFUNDSJan22.pdf> and is available in English.

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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