



## **VANGUARD EXPANDS ESG RANGE WITH GLOBAL CORPORATE FIXED INCOME ESG ETF**

- New product offers global corporate fixed income exposure while incorporating robust screening based on ESG criteria.
- Vanguard's ESG product range enables investors to build a diversified ESG-aware portfolio.

**25 May 2021** – Vanguard today launches the Vanguard ESG Global Corporate Bond UCITS ETF. The new ETF is designed to serve as a core building block for ESG-aware portfolios, providing broad diversification while incorporating robust screening based on ESG criteria.

The Vanguard ESG Global Corporate Bond UCITS ETF seeks to track the Bloomberg Barclays MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index and provides exposure to global corporate fixed income, with an ongoing charges figure ("OCF") of 0.15%. The index applies criteria to exclude companies involving weapons, non-renewable energy, vice products and companies involved with controversies related to the UN Global Compact Principles.<sup>1</sup>

**Fong Yee Chan, head of ESG strategy, UK and Europe**, said, "Vanguard continues to seek ways to deliver long-term ESG strategies to give value to investors. For those investors wishing to mitigate ESG risk or avoid companies that don't align with their values, we are pleased to offer access to an ESG global corporate bond strategy through the new Vanguard ESG Global Corporate Bond UCITS ETF."

The Vanguard ESG Global Corporate Bond UCITS ETF will be managed by Vanguard's Fixed Income Group (FIG). FIG manages more than \$1.7trillion in assets across the globe, and draws on the diverse perspectives and knowledge of 57 team members to deliver accurate benchmark tracking, prudent risk management, and highly competitive investment performance.<sup>2</sup>

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<sup>1</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>

<sup>2</sup> Source: Vanguard, as at 30 March 2021

With the addition of the new product, Vanguard's line-up for environmentally and socially aware investors consists of the following:<sup>3</sup>

Fund Name	Domicile	Benchmark	OCF <sup>4</sup>
Vanguard ESG Developed World All Cap Equity Index Fund (UK)	U.K.	FTSE Developed All Cap Choice Index	0.20%
Vanguard ESG Developed World All Cap Equity Index Fund	Ireland	FTSE Developed All Cap Choice Index	0.20%
Vanguard ESG Emerging Markets All Cap Equity Index Fund	Ireland	FTSE Emerging All Cap Choice Index	0.25%
Vanguard ESG Global All Cap UCITS ETF	Ireland	FTSE Global All Cap Choice Index	0.24%
Vanguard SRI European Stock Fund	Ireland	FTSE Developed Europe Index	0.14%
Vanguard ESG Global Corporate Bond UCITS ETF	Ireland	Bloomberg Barclays MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index	0.15%

Note: These funds promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics. These Funds have been classified as Article 8 funds pursuant to the requirements of the EU SFDR.

## ENDS

### Notes to editors:<sup>5</sup>

#### 1. Base currency

The base currency of the Vanguard ESG Global Corporate Bond UCITS ETF is USD with non-USD denominated holdings hedged back to USD.

<sup>3</sup> Source: Vanguard, as at 20 May 2021

<sup>4</sup> Source: Vanguard, as at 25 March 2021

<sup>5</sup> Source: Vanguard, as at 20 May 2021

## **2. Index information**

The Bloomberg Barclays MSCI Global Corporate Float-Adjusted Bond Screened Index is constructed from the Bloomberg Barclays 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;
- GMOs including genetically modifying plants, such as seeds and crops, and other organisms 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 Barclays MSCI Global Corporate Float-Adjusted Liquid Bond Screened Index has the same parent index and ESG screening criteria, with an additional liquidity filter.

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Globally, Vanguard manages \$7.5 trillion on behalf of investors worldwide. (Source: Vanguard, as at 31 March 2021).

### **Which? Recommended Provider**

For three years running, Vanguard U.K Personal Investor has been named the top-rated investment platform for customer satisfaction and value for money in the UK by Which? the consumer champion. Launched in May 2017, Vanguard U.K. Personal Investor is used by 275,000 investors (Source: Vanguard, May 2021)



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#### **Investment risk information:**

This document is designed for use by, and is directed only at persons resident in the UK.

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

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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 Investment Series 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 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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For further information on the fund's investment policy, please refer to the Key Investor Information Document ("KIID"). The KIID for this fund is available in local languages, alongside the prospectus via Vanguard's website <https://global.vanguard.com/>.

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.

Vanguard Group (Ireland) Limited has implemented the EU Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("EU SFDR"), as appropriate. Vanguard has introduced an internal product classification framework that helps to identify whether certain Vanguard funds promote, among other characteristics, environmental and/or social characteristics, or whether a fund has sustainable investment as its objective. Vanguard also considers the degree to which sustainability risks are integrated into the investment decision making process. Statements explaining Vanguard's approach to the integration of sustainability risk, including into its remuneration policy and a transition statement to support the consideration of Principal Adverse Indicators (this is the impact of its investment decisions on sustainability factors, commonly referred to PAI), will be available on the policy page of Vanguard's global website

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