Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Vanguard U.K. Gilt UCITS ETF (the "Fund")
A sub-fund of Vanguard Funds PLC

(GBP) Distributing
ISIN: IE00B42WWV65
Manager: Vanguard Group (Ireland) Limited ("VGIL")

Objectives and investment policy

- The Fund employs a passive management – or indexing – investment approach, through physical acquisition of securities, and seeks to track the performance of the Bloomberg Barclays Sterling Gilt Float Adjusted Index (the "Index").
- The Index includes UK Gilts denominated in UK pounds sterling with maturities greater than one year.
- The Fund attempts to:
  1. Track the performance of the Index by investing in a portfolio of Gilts that, insofar as possible and practicable, consists of a representative sample of the component securities of the Index.
  2. Remain fully invested except in extraordinary market, political or similar conditions.
- The Fund 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.
- The base currency of the Fund is GBP.
- The Fund may engage in short term secured lending of its investments to certain eligible third parties. This is used as a means of generating additional income and to off-set the costs of the Fund.
- The Fund may not be appropriate for short-term investment.
- Income from the ETF Shares will normally be paid out monthly.
- ETF Shares are listed on one or more stock exchange(s). Subject to certain exceptions set out in the prospectus, investors who are not Authorised Participants may only sell ETF Shares through a company that is a member of a relevant stock exchange at any time when that stock exchange is open for business.
- Portfolio transaction costs will have an impact on performance.
- Shares in the Fund can be bought or sold on a daily basis (save on certain bank holidays or public holidays and subject to certain restrictions described in Appendix 1 of the prospectus) by submitting an application in writing or by telephone. A full list of the days on which shares in the Fund cannot be sold is available on https://global.vanguard.com/portal/site/loadPDF?country=global&docId=11628

For further information about the objectives and investment policy of the Fund, as well as the limited relationship with the Index provider, please see Appendix 1 and Appendix 6 of the Vanguard Funds plc prospectus (the "Prospectus") on our website at https://global.vanguard.com

Risk and reward profile

The risk and reward indicator does not take account of the following risks of investing in the Fund:

- Counterparty risk. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- Liquidity risk. Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.
- Index tracking risk. The Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.
- Index sampling risk. As the Fund uses an index sampling technique whereby a representative sample of securities are selected to represent the Index, there is the risk that the securities selected for the Fund may not, in the aggregate, approximate the full Index.
- Credit risk. The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.
- Inflation risk. The value of your investments may not be worth as much in the future due to changes in purchasing power resulting from inflation.

For further information on risks please see the “Risk Factors” section of the Prospectus on our website at https://global.vanguard.com
Charges
The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

| Entry charge* | None |
| Exit charge* | None |
This is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out.

Charges taken from the Fund over a year

| Ongoing charges | 0.07% |

Charges taken from the Fund under certain specific conditions

| Performance fee | None |

Investors who are not Authorised Participants ("APs") may have to pay fees to a stockbroker when you buy or sell on stock exchange(s). The fees are available directly from your stockbroker and are not charged by, or payable to, the Fund. APs dealing directly with the Fund will pay related transaction costs. For cash creations or redemptions there will be a cash transaction fee of a maximum of 2% which is paid to the Fund, and all transactions will have associated transaction costs. Investors who are not APs will not pay these fees or costs.

* In the case of a large subscription or redemption by an investor, that investor may have to pay an additional charge (e.g. anti-dilution levy) to the Fund to cover transaction costs incurred.

The ongoing charges figure is based on expenses for the year ended 31 December 2019. This figure may vary from year to year. It excludes portfolio transaction costs.

For further information about charges, please see the Prospectus and the sections entitled “Buying Shares”, “Redeeming Shares”, “Fees and Expenses” and Appendix 1 on our website at [https://global.vanguard.com](https://global.vanguard.com)

Past performance

- Past performance:
  1. Is not a reliable indication of future performance.
  2. Includes ongoing charges and the reinvestment of income. It excludes entry and exit fees.
  3. Has been calculated in GBP.
  4. As the Index tracked by the Fund was changed from the Bloomberg Barclays Global Aggregate U.K. Government Float Adjusted Bond Index to the Bloomberg Barclays Sterling Gilt Float Adjusted Index with effect from 1 April 2016, the performance of the Fund shown in this bar chart was achieved under circumstances which no longer apply as of 1 April 2016.

- Shares in the Fund were first issued in 2012.

This share class was launched in 2012.

Practical information

- Depositary: The Vanguard Funds plc ("VF") depositary is Brown Brothers Harriman Trustee Services (Ireland) Limited.
- Documents, prices of shares and further information: You can obtain copies of the Prospectus and, when available, the latest annual and semi-annual report and accounts for VF, along with the latest published prices of shares and other information on the Fund, free of charge from VF c/o Brown Brothers Harriman Fund Administration Services (Ireland) Limited, 30, Herbert Street, Dublin 2, Ireland (tel. 353-1-241-7105) or from our website at [https://global.vanguard.com](https://global.vanguard.com); Information on the Fund's portfolio disclosure policy and publication of the iNAV can be obtained at [https://global.vanguard.com/portal/site/portal/ucits-documentation](https://global.vanguard.com/portal/site/portal/ucits-documentation). These documents are available in English only.
- Sub-funds: VF is an umbrella Fund with segregated liability between sub-funds. This means that the holdings of the Fund are maintained separately under Irish law from holdings of other sub-funds of VF and your investment in the Fund will not be affected by any claims against any other sub-fund of VF.
- Prices: The last published prices of units in the Fund are also available from the FT’s website www.ft.com or [https://global.vanguard.com](https://global.vanguard.com)
- Shares: ETF Shares in the Fund may not be exchanged for ETF Shares in any other sub-funds of VF or switched to a different share class of the same Fund, where other share classes are available.
- Tax: Irish taxation legislation may have an impact on your personal tax position. You are recommended to consult your professional tax adviser.
- Liability: VGIL may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for this Fund.
- Remuneration policy: Details of VGIL's Remuneration Policy are available at [https://global.vanguard.com/portal/site/portal/ucits-investment-information](https://global.vanguard.com/portal/site/portal/ucits-investment-information), including: (a) a description of how remuneration and benefits are calculated; and (b) the identities of persons responsible for awarding remuneration and benefits. A paper copy of these details may be obtained, free of charge, on request from VGIL at 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

The Fund is authorised in Ireland and regulated by the Central Bank of Ireland (the “Central Bank”). VGIL is authorised in Ireland and regulated by the Central Bank.

This key investor information is accurate as at 18/02/2020.