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 USD Treasury Bond UCITS ETF
(the "Fund")
A sub-fund of Vanguard Funds PLC

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 Global Aggregate US Treasury Float Adjusted Index (the "Index").
• The Fund invests in a representative sample of bonds included in the Index in order to closely match the Index's capital and income return.
• The Index measures the performance of a broad spread of US dollar denominated bonds paying a fixed rate of interest issued by the US government.
• Bonds in the Index have maturities of greater than one year and are generally investment grade.
• To a lesser extent the Fund may invest in similar types of government bonds outside the Index.
• 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 USD.

Risk and reward profile

<table>
<thead>
<tr>
<th>Lower risk</th>
<th>Higher risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typically lower rewards</td>
<td>Typically higher rewards</td>
</tr>
</tbody>
</table>

1 2 3 4 5 6 7

• This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
• The risk category shown is not guaranteed and may change over time.
• The lowest category does not mean "risk free".
• The Fund is rated 3 due to the nature of its investments which include the risks listed below. These factors may impact the value of the Fund's investments or expose the Fund to losses.

- The value of bonds and fixed income-related securities is affected by influential factors such as interest rates, inflation, credit spreads and volatility which, in turn, are driven by other factors including political, economic news, company earnings and significant corporate events.
- Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry charge*</td>
<td>None</td>
</tr>
<tr>
<td>Exit charge*</td>
<td>None</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing charges</td>
<td>0.07%</td>
</tr>
</tbody>
</table>

Charges taken from the Fund under certain specific conditions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance fee</td>
<td>None</td>
</tr>
</tbody>
</table>

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 Supplement and the sections entitled “Buying Shares”, “Redeeming Shares”, and “Fees and Expenses” in the Prospectus on our website at 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 USD.

• Shares in the Fund were first issued in 2016. This share class was launched in 2016.

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; 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. 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
• 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 tax 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, 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.