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

(USD) Distributing
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 Global Aggregate Corporate – United States Dollar 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 which are issued by companies.
- Bonds in the Index have maturities of greater than one year and generally investment grade.
- To a lesser extent the Fund may invest in similar types of 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.
- 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 offset 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 the Supplement) 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
- 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.

Risk and reward profile

<table>
<thead>
<tr>
<th>Lower risk</th>
<th>Higher risk</th>
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<tbody>
<tr>
<td>Typically lower rewards</td>
<td>Typically higher rewards</td>
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<tr>
<td>1 2 3 4 5 6 7</td>
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</tbody>
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- 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.

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 | 0.09% |

Charges taken from the Fund under certain specific conditions

| Performance fee | None |

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.
- **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.