



Vanguard Funds plc
70 Sir John Rogerson's Quay
Dublin 2
Ireland

This notice (the **"Notice"**) is sent to you as a Shareholder of the Vanguard ESG USD Corporate Bond UCITS ETF, a sub-fund of Vanguard Funds plc (the **"Company"**). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, solicitor or attorney or other professional advisor. If you sold or otherwise transferred your holding in the Company, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the "Central Bank") and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The directors of the Company (the "Directors") are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank.

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility for the information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as otherwise described in the prospectus of the Company dated 31 March 2025, the First Addendum to the prospectus dated 1 July 2025 and any subsequent addenda thereto (the **"Prospectus"**).

**LETTER FROM THE BOARD TO THE SHAREHOLDERS OF VANGUARD ESG USD CORPORATE
BOND UCITS ETF (THE "SUB-FUND")**

VANGUARD FUNDS PLC

(An open-ended umbrella type variable capital company, with segregated liability between sub-funds, established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations")).

An umbrella fund with segregated liability between sub-funds
Company Registration No. 499158

Directors: Jonathan Cleborne (U.S.A), Lisa Harlow (United Kingdom), Robyn Laidlaw (New Zealand), William Slattery (Ireland), Tara Doyle (Ireland), Thomas Challenor (United Kingdom), Ranjit Singh (U.S.A), Kaitlyn Caughlin (U.S.A)



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17th July 2025

Dear Shareholder,

CLOSURE OF THE SUB-FUND – ACTION REQUIRED

After careful consideration and with the long-term interests of investors in mind, the Directors have resolved that it is in the best interest of the Sub-Fund and its investors as a whole to close the Sub-Fund, in accordance with the applicable provisions of the Constitution of the Company (the “**Constitution**”) and the Prospectus.

Rationale

The Directors have been advised by Vanguard Global Advisers, LLC, the investment manager of the Sub-Fund, that the Sub-Fund has been unable to achieve the anticipated level of assets under management and accordingly is not covering its proportion of fixed costs of the Company.

In accordance with the applicable provisions of the Constitution and the Prospectus, the Company may redeem all the Shares of the Sub-Fund if its net asset value (“**NAV**”) falls below US\$100 million or its equivalent in another currency, which is the minimum level of NAV required for the Sub-Fund to be operated in an economically efficient manner. Therefore, it has been determined that the Sub-Fund will be closed as the Sub-Fund’s NAV has not reached this level.

Consequently, the Directors wish to give notice to investors in the Sub-Fund that it is the intention to:

- (i) permanently de-list the Shares of the Sub-Fund from the London Stock Exchange, Deutsche Börse Xetra, Euronext Amsterdam, Borsa Italiana, SIX Swiss Exchange and Euronext Dublin (the “**Relevant Exchanges**”);
- (ii) permanently close the Sub-Fund to further subscriptions and redemptions;
- (iii) compulsorily redeem any residual shareholdings in the Sub-Fund in accordance with the applicable provisions of the Constitution and the Prospectus and in accordance with the procedure and the dates set out under the heading “*Procedure*” below (the “**Compulsory Redemption**”); and
- (iv) de-register the Sub-Fund from marketing in the jurisdictions where it is currently registered for sale, terminate marketing arrangements of the Sub-Fund in those jurisdictions and terminate any contractual arrangements with financial intermediaries or delegates in respect of the Sub-Fund from the date of such de-registrations.

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Procedure

It is intended to close the Sub-Fund in accordance with the procedure and relevant dates set out below.

- 1) The last day of trading of the Shares in the Sub-Fund on each of the Relevant Exchanges shall be **20th October 2025**, (the “**Final Exchange Trading Date**”). Therefore, investors on the secondary market who wish to avoid having their Shares compulsorily redeemed should consider selling their Shares on a Relevant Exchange on or before the Final Exchange Trading Date.
- 2) The last day on which applications from Authorised Participants for subscriptions and redemptions of Shares in the Sub-Fund may be made will be **21st October 2025** (the “**Final Dealing Date**”). Therefore, final applications for subscriptions and redemptions from Authorised Participants in respect of the Final Dealing Date must be received no later than the cut-off times outlined in the Supplement for the Sub-Fund on **21st October 2025**.
- 3) Investors who:
 - have not sold their Shares on or before the Final Exchange Trading Date; or
 - have not validly applied for redemption of their Shares in accordance with the terms of the Prospectus, on or before the Final Dealing Date;

and, in each case, who are investors in the Sub-Fund as at **23rd October 2025**, shall have their Shares compulsorily redeemed on **23rd October 2025** (the “**Compulsory Redemption Date**”).

- 4) The effective date of the cancellation of admission to, and listing of, the Shares in the Sub-Fund on the Relevant Exchanges shall be **24th October 2025** (the “**Delisting Date**”).
- 5) The proceeds of the Compulsory Redemption shall be distributed on or around **7th November 2025** (the “**Settlement Date**”) to such persons listed in the Company’s register of shareholders as the holder of shares of the Sub-Fund as at the Compulsory Redemption Date.

If your shareholding in the Sub-Fund is compulsorily redeemed, as set out above, it will be redeemed at the appropriate redemption price for the relevant Shares (calculated on the Compulsory Redemption Date in accordance with the terms of the Prospectus) and, subject to all anti-money laundering documentation requirements having been complied with.

Secondary market investors:

Please note that, investors buying and selling Shares through a broker or market maker/Authorised Participant and/or investors who hold Shares through a nominee and/or clearing agent, will not appear in the Company’s register of Shareholders. Such investors should deal directly with the relevant broker, market maker/Authorised Participant, nominee or clearing agent (as relevant) in respect of their investment.

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No distribution proceeds resulting from the Compulsory Redemption of the Shares shall be payable by the Company directly to any person other than those persons listed in the Company's register of Shareholders as at the Compulsory Redemption Date.

If you do not wish to be automatically redeemed on the Compulsory Redemption Date, you can (if you are an Authorised Participant) redeem your Shares in the Sub-Fund at any time up to and including the Final Dealing Date in accordance with the Sub-Fund's normal redemption procedures as set out in the Prospectus. However, if a redemption request does not settle by the Compulsory Redemption Date, such redemption request shall be treated as invalid and such Shares will be compulsorily redeemed on the Compulsory Redemption Date as part of the Sub-Fund closure process as outlined above.

You may also wish to acquire an alternative Vanguard UCITS ETF or mutual fund. If you would like further information, please contact Vanguard using the details set out at the end of this Notice. Investors should seek their own advice as to the suitability of any alternative investment option.

Please note that as part of the closure process and before the Compulsory Redemption Date, the ability to meet the investment objective of the Sub-Fund may be compromised in the event of significant redemptions and/or as the underlying portfolio of the Sub-Fund is liquidated in preparation for its closure. Therefore, there will accordingly be an increased risk of tracking error in the Sub-Fund versus its Index.

Costs of closure

The additional costs incurred in respect of closing the Sub-Fund will be paid by Vanguard. The Sub-Fund's normal operating costs and transaction costs together with any Cash Redemption Fees will continue to be borne by the Sub-Fund and its respective Shareholders in accordance with the terms of the Supplement for the Sub-Fund.

Tax consequences

Investors should consult their own professional advisers as to the tax implications of the Compulsory Redemption and closure of the Sub-Fund under the laws of the countries of their nationality, residence, domicile or incorporation.

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Queries

If you have any queries concerning the matters outlined in this Notice, please contact your sales representative or Vanguard's Client Services team at European_client_services@vanguard.co.uk or on +44 203 753 5600.

Yours sincerely,

Signed by:

74487F6067FC46D...
For and on behalf of

Vanguard Funds plc

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