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 Active USD High Yield Corporate Bond UCITS ETF (the "Fund")

A sub-fund of Vanguard Funds PLC

(USD) Accumulating Shares

ISIN: IE0004NSES78

Manager: Vanguard Group (Ireland) Limited ("VGIL")

Objectives and investment policy

- The Fund aims to provide a higher total return (capital growth plus income) than the Bloomberg US High Yield 2% Issuer Cap Index after the fees and expenses of the Fund.
- The Fund employs an "active management" strategy in aiming to outperform the Index and in doing so, the Investment Manager will follow distinct approaches in managing the Fund's assets.
- The Fund will invest in bonds, including fixed and floating rate issues. Under normal market conditions, the Fund will invest at least 80% of its assets in USD-denominated, corporate debt from issuers with a credit rating of the equivalent of Ba1 and below ("high yield" or "non-investment grade") by Moody's or another independent rating agency or, which are determined to be of comparable quality by the Investment Manager. Issuers of these securities may be located in any country.
- The Investment Manager implements a strategic and disciplined framework for analysing fixed income securities. Decisions on how to allocate the Fund's assets are dependent on the Investment Manager's outlook on such securities. The Investment Manager will select issuers based on its proprietary analysis; focusing on an outlook including factors such as the global market environment, relevant business and financial information, the attractiveness of the valuations available in the securities, with criteria which may include yield spread comparisons on a historical basis as well as a cross-sectional basis with comparable sectors.
- The Fund may invest up to 10% in syndicated loans. The Fund may also invest in securities, known as Rule 144A securities of the US Securities Act 1933, that do not meet the Fund's standard eligibility criteria and may be less liquid.
- The base currency of the Fund is USD.
- The Fund may invest in securities which are denominated in currencies other than the base currency. Movements in currency exchange rates can affect the return of investments.
- The Fund is appropriate for long-term investment. You should have an investment horizon of at least 3 years.
- Income from the ETF Shares will be reinvested and reflected in the price of shares in the ETF.
- Portfolio transaction costs will have an impact on performance.
- ETF Shares in the Fund can be bought or sold on a daily basis (save on certain bank / public holidays and subject to certain restrictions described in Appendix 1 of the Prospectus or in a separate Supplement). 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 buy or 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. A list of the days on which shares in the Fund cannot be bought or sold is available on https://fund-docs.vanguard.com/holiday-calendar-vanguard-funds-plc-ETFs.pdf

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

Risk and reward profile

Lower risk ← → Higher risk

Typically lower rewards — Typically higher rewards

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 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.

- Use of derivatives. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value.

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. This could cause the Fund to incur higher costs when buying or selling investments or could mean that the Fund is not able to buy or sell investments when it would like to do so.
- High Yield Bonds Risk. High yield bonds are issued by lower-rated companies and carry a higher risk that the issuer may not be able to repay what it owes. These investments can also be more affected by economic conditions, meaning their value may rise and fall more sharply and the Fund could incur losses.

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**	0.15%
Charges taken from the Fund under certain specific conditions	
Performance fee	None

** The OCF is subject to a partial fee waiver by the Manager for a period of one calendar year from the date of launch of the Sub-Fund, unless otherwise notified in advance to Shareholders. Accordingly, the OCF shall be 0.15% per annum of the NAV until such date. Thereafter, the OCF will revert to 0.25% per annum of the NAV.

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.

The entry and exit charges shown are maximum figures and in some cases you might pay less. Investors can find out the actual entry and exit charges from their distributor and or adviser.

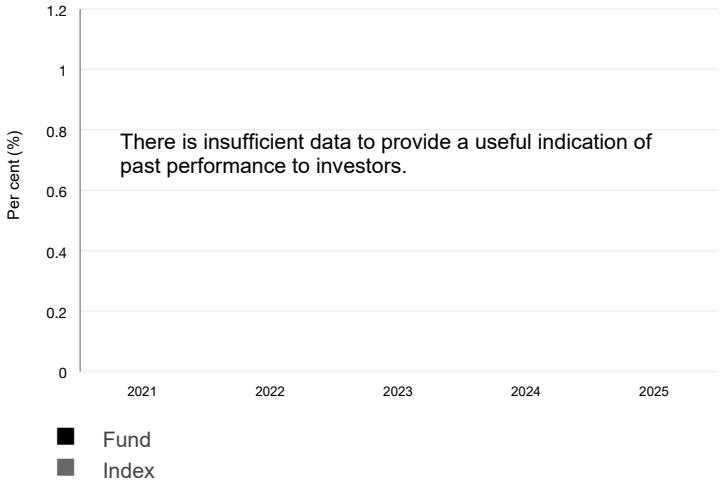
APs dealing directly with the Fund will pay related transaction costs. For cash creations or redemptions there may be a cash transaction fee of a maximum of 2% which is paid to the Fund, and all transactions will have associated transaction costs. Investors who are not APs will not pay these fees or 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.

Ongoing charges have not been based on an ex-post calculation as the share class was launched less than one calendar year ago. Ongoing charges have accordingly been estimated based on the expected total of charges that will be taken from the assets of the Fund over the course of a 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



- This share class has not yet launched.
- The Fund does not aim to track the performance of the index.

Practical information

- **Depositary:** Brown Brothers Harriman Trustee Services (Ireland) Limited.
- **Documents, prices of shares and further information:** You can obtain copies of the Prospectus and the latest annual and semi-annual report and accounts for Vanguard Funds plc ("VF") along with the latest published prices of shares and other practical information, from VF c/o Brown Brothers Harriman Fund Administration Services (Ireland) Limited, 30 Herbert Street, Dublin 2, D02 W329, Ireland 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. The documents are available in English and are free of charge.
- **Prices:** The last published prices of shares in the Fund are also available from the FT's website www.ft.com or https://global.vanguard.com.
- **Tax:** VF is subject to the tax laws of Ireland. Depending on your country of residence, this 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 VF.
- **Sub-funds:** VF is an umbrella fund with a number of sub-funds. This document describes a sub-fund of VF. The prospectus and periodic reports are prepared for the entire company.
- 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, however APs may, with prior approval, switch ETF Shares in the Fund to a different share class of the same Fund, where other share classes are available.
- Information about other share classes offered by VF can be found in the prospectus or from our website at https://global.vanguard.com.
- Further information on the Index Provider please see the Fund's prospectus.
- **Remuneration policy:** Details of VGIL's Remuneration Policy are available at https://www.ie.vanguard/content/dam/intl/europe/documents/ch/en/ucits-v-remuneration-policy.pdf 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 19/11/2026.