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Vanguard®

This is a marketing communication.

Factsheet | 29 February 2024

Vanguard ESG USD Corporate Bond UCITS ETF

(EUR) Accumulating Hedged - An exchange-traded fund

Inception date: 15 November 2022

Total assets (million) €34 | Share class assets (million) €4 as at 29 February 2024

Key ETF facts	Exchange ticker	SEDOL	Reuters	Bloomberg	Bloomberg iNav	Valoren
NYSE Euronext						
EUR	V3SE	BPNZQ42	V3SE.AS	V3SE NA	IV3SEEUR	–
Deutsche Börse						
EUR	V3CE	BPNZQV9	V3CE.DE	V3CE GY	IV3CEEUR	–
Borsa Italiana S.p.A.						
EUR	V3SE	BKPHXT5	V3SE.MI	V3SE IM	IV3SEEUR	–

Base currency	Tax reporting	SRI‡	Index ticker	Investment structure	Domicile
USD	UK Reporting	3	H36946EU	UCITS	Ireland

Legal entity	Investment method	ISIN	Dividends	Dividend schedule	Investment manager
Vanguard Funds plc	Physical	IE000EKJRSZ3	Accumulated	–	Vanguard Global Advisers, LLC Global Fixed Income Team

Ongoing Charges Figure† 0.16%

† The Ongoing Charges Figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds. When you invest with any fund manager, you pay a number of charges, starting with the Annual Management Charge (AMC) which covers the fund manager's costs of managing the fund. The AMC plus ongoing running costs and other operational expenses make up the fund's total 'ongoing charges figure'.

Objectives and investment policy

- The Fund employs a "passive management" – or indexing – investment approach, through physical acquisition of securities, designed to track the performance of the Bloomberg MSCI USD Corporate Float-Adjusted Liquid Bond Screened Index (the "Index").
- The Index is constructed from the Bloomberg Global Aggregate Corporate – United States Dollar Index (the "Parent Index") which represents a USD denominated universe of investment grade corporate fixed-rate bonds, which is then screened for certain environmental, social, and corporate governance criteria by the sponsor of the Index, which is independent of Vanguard.
- The Fund promotes environmental and social characteristics by excluding fixed income securities from its portfolio based on the impact of the issuer's conduct or products on society and / or the environment. This is met by tracking the Index.
- The Index excludes the bonds of issuers that MSCI, the Index provider's data source, determines engage in activities in, and/or derive revenue (above a threshold specified by the Index provider) from, certain business segments of the following: adult entertainment, alcohol, gambling, tobacco, nuclear weapons, controversial weapons, conventional weapons, civilian firearms, nuclear power, or thermal coal, oil, or gas.
- The Index methodology also excludes the bonds of issuers that, as determined by MSCI, have no controversy score or a controversy score of less than one as defined by MSCI's ESG controversies assessment framework.
- Where MSCI has insufficient or no data available to adequately assess a particular issuer relative to the ESG criteria of the Index, bonds of such issuer may be excluded from the Index until such time as they may be determined to be eligible by MSCI.
- In circumstances where the Fund holds securities which do not comply with the ESG requirements of the Index (including in circumstances where MSCI receives further data allowing it to determine that an issuer of a security does not meet the relevant ESG criteria of the Index), the Fund may hold such securities until such time as the relevant securities cease to form part of the Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.
- Company product and conduct involvement is monitored on a yearly basis by the Index provider and as new data is made available to the Index provider.
- In this regard, the Index is consistent with the characteristics promoted by the Fund.

‡ Summary Risk Indicator

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Performance summary

EUR—Vanguard ESG USD Corporate Bond UCITS ETF
Benchmark — Bloomberg MSCI USD Corporate Liquid Bond Screened Index hedged in EUR

Annualised performance**	1 month	Quarter	Year to date	1 year	3 years	5 years	10 years	Since inception
Fund (Net of expenses)	-1.62%	1.89%	-1.78%	3.61%	–	–	–	3.44%
Benchmark	-1.61%	1.92%	-1.85%	3.69%	–	–	–	3.50%

**Figures for periods less than one year are cumulative returns. All other figures represent annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance is NAV to NAV with gross income invested. Basis of index performance is total return.

Performance and Data is calculated on closing NAV as at 29 February 2024.

Past performance is not a reliable indicator of future results.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance is NAV to NAV. Basis of index performance is total return. All performance is calculated in EUR, net of fees.

Source: Vanguard; Bloomberg MSCI USD Corporate Liquid Bond Screened Index hedged in EUR

Rolling 12-month performance



										01 Mar 2023 - 29 Feb 2024
	–	–	–	–	–	–	–	–	–	
Fund (Net of expenses)	–	–	–	–	–	–	–	–	–	3.61%
Benchmark	–	–	–	–	–	–	–	–	–	3.69%

Key investment risks

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. Currency hedging may not completely eliminate currency risk in the Fund, and may affect the performance of 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.

Accuracy risk. There is no assurance that the Index provider will compile the Index accurately or that the Index will be determinded, composed or calculated correctly.

Environmental, Social and Governance risk. A Fund may track an index which screens out possible investments if they do not meet certain environmental, social and governance ('ESG') criteria. This may affect the Fund's exposure to certain issuers and cause the Fund to forego certain investment opportunities. The relevant Fund may perform differently to other funds, including underperforming funds that do not seek to screen investments in this way.

Unscheduled rebalancing risk. Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order for example, to correct an error in the selection of index constituents.

Please also read the risk factors section in the prospectus and the Key Information Document, both of which are available on the Vanguard website.

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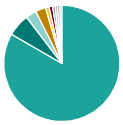
Data as at 29 February 2024 unless otherwise stated.

Characteristics

	Fund	Benchmark
Number of bonds	2,375	2,782
Yield to worst	5.39%	5.39%
Average coupon	4.1%	4.0%
Average maturity	9.9 years	9.8 years
Average quality	A-	A-
Average duration	6.5 years	6.5 years
Cash investment*	0.0%	–

Source: Vanguard; Barclays Capital Inc.

Market allocation



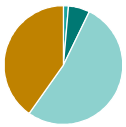
United States	82.3%	Australia	0.9%
United Kingdom	6.1	Germany	0.7
Canada	3.0	Switzerland	0.7
Japan	2.8	Ireland	0.6
Spain	1.0	Netherlands	0.6

Distribution by credit maturity (% of fund)



Under 1 Year	0.0%	20 - 25 Years	6.6%
1 - 5 Years	39.4	Over 25 Years	12.0
5 - 10 Years	28.8		
10 - 15 Years	7.7		
15 - 20 Years	5.5		

Distribution by credit quality (% of fund)



AAA	1.4%
AA	5.8
A	52.6
BBB	40.2
Not Rated	0.0

Credit-quality ratings for each issue are obtained from Bloomberg using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Distribution by issuer (% of fund)



Corporate - industrials	54.1%
Corporate - financial institutions	45.8
Corporate - utilities	0.1

*The allocations are subject to circumstances such as timing differences between trade and settlement dates of underlying securities, that may result in negative weightings. The fund may also employ certain derivative instruments for cash management or risk management purposes that may also result in negative weightings. Allocations are subject to change. Cash includes physical cash on the account, cash like instruments (such as ultra-short term treasury bonds) and derivative instruments.

Source: Vanguard

Glossary for ETF attributes

The ETF attributes section on the first page contains a number of metrics that professional investors use to value individual securities against a market or index average. These metrics can also be used to value and compare funds to the market by taking the average of all the securities held in the fund and comparing them to those of the fund's benchmark index. We've provided a definition of the terms used for your convenience.

Average coupon is the average interest rate paid on the fixed income securities held by a fund. It is expressed as a percentage of face value.

Average maturity is the average length of time until fixed income securities held by a fund reach maturity and are repaid, taking into consideration the possibility that the issuer may call the bond before its maturity date. The figure reflects the proportion of fund assets represented by each security; it also reflects any futures contracts held. In general, the longer the average effective maturity, the more a fund's share price will fluctuate in response to changes in market interest rates.

Average quality is an indicator of credit risk. This figure is the average of the ratings assigned to a fund's fixed income holdings by credit-rating agencies. The agencies make their judgment after appraising an issuer's ability to meet its obligations. Quality is graded on a scale, with Aaa or AAA indicating the most creditworthy bond issuers.

Average duration is an estimate of how much the value of the bonds held by a fund will fluctuate in response to a change in interest rates. To see how the value could change, multiply the average duration by the change in rates. If interest rates rise by 1 percentage point, the value of the bonds in a fund with an average duration of five years would decline by about 5%. If rates decrease by a percentage point, the value would rise by 5%.

Yield to worst applies when the portfolio is invested into callable bonds. When it is not the case Yield to worst=Yield to maturity.

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As at 29 February 2024

Data presented on this page are at the fund level.

Benchmark: Bloomberg MSCI USD Corporate Liquid Bond Screened Index hedged in EUR

Parent benchmark[1]: Global Aggregate Corporate United States Dollar

Climate metrics

The metrics provided in this section are for informational purposes only and should not be considered in isolation, but rather alongside other information about the fund. The information may be useful to assist investors to evaluate the fund's climate risks and opportunities but is not an indication of whether or how the fund takes climate considerations into account. Unless otherwise stated in the fund's prospectus, the metrics are not considered as part of the fund's investment objective, principal investment strategies, or in Vanguard's internal investment decision processes. For more information regarding the fund's investment objective and strategy, please refer to the fund's prospectus.

Metric	Definition[2]	Purpose	Fund	Fund coverage[3]	Parent benchmark	Parent benchmark coverage
Fund scope 1 emissions (tCO2e)	Direct greenhouse gas (GHG) emissions associated with a fund's investments.	To understand the GHG emissions that occur from sources owned or controlled by the fund's portfolio companies (e.g., emissions from combustion in owned or controlled boilers, furnaces, vehicles etc.).	195	99%	—	—
Fund scope 2 emissions (tCO2e)	Indirect GHG emissions associated with the fund's investments.	To understand the GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the fund's portfolio companies (e.g., emissions that physically occur at the facility where the electricity, steam, heating or cooling is generated).	148	97%	—	—
Total carbon footprint (tCO2e/$M invested)	Total carbon emissions for a portfolio normalized by the market value of the portfolio.	To understand how much carbon emissions the portfolio is responsible for per USD 1 million invested. This metric allows investors to compare portfolios of various sizes.	9.55	99%	60.19	88%
Weighted average carbon intensity (tCO2e/$M revenue).	Portfolio's exposure to carbon-intensive companies.	Reflects the carbon intensity of a portfolio across asset classes (e.g., carbon-intensive portfolios may be more susceptible to climate-related risks, like increased regulations leading to higher costs either via taxation or operational changes).	28.88	100%	240.36	97%

Source: Calculated using Vanguard holdings and MSCI Climate Change data as of 29 February 2024. MSCI is an independent data provider[4].

Benchmark exclusions[5]

The benchmark seeks to avoid or reduce exposure to companies based on certain environmental, social, and/or governance criteria. The following section informs investors of the extent to which companies are excluded from the parent benchmark as a result of the index provider's exclusion criteria. The below data may look different from the fund's outcomes depending on the replication and/or sampling strategy.

Exclusion category	Constituents excluded from parent benchmark*	Weight excluded from parent benchmark*	Top 5 constituents excluded (by weight)
Controversies	682	4.08%	BHP BILLITON FINANCE (USA) LIMITED, TMS ISSUER S.A R.L., GreenSaif Pipelines Bidco S.a rl, VALE OVERSEAS LIMITED, GALAXY PIPELINE ASSETS BIDCO LIMITED
Non-Renewable Energy	2,405	18.78%	SkyMiles IP Ltd., Shell International Finance B.V., PACIFIC GAS AND ELECTRIC COMPANY, EXXON MOBIL CORPORATION, NEXTERA ENERGY CAPITAL HOLDINGS, INC.
Vice Products	1,011	11.50%	ANHEUSER-BUSCH COMPANIES, LLC, CVS HEALTH CORPORATION, AT&T INC., ANHEUSER-BUSCH INBEV WORLDWIDE INC., Deutsche Telekom International Finance B.V.
Weapons	351	3.40%	THE BOEING COMPANY, RTX CORPORATION, Northrop Grumman Corporation, WALMART INC., GENERAL ELECTRIC COMPANY

Source: MSCI as of 29 February 2024.

*Constituents can be excluded under multiple categories and the above numbers are not mutually exclusive.

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ESG funds are subject to ESG investment risk, which is the chance that the stocks or bonds screened by the index provider for ESG criteria generally will underperform the market as a whole or, in the aggregate, will trail returns of other funds screened for ESG criteria. The index provider's assessment of a company, based on the company's level of involvement in a particular industry or the index provider's own ESG criteria, may differ from that of other funds or of the advisor's or an investor's assessment of such company. As a result, the companies deemed eligible by the index provider may not reflect the beliefs and values of any particular investor and may not exhibit positive or favorable ESG characteristics. The evaluation of companies for ESG screening or integration is dependent on the timely and accurate reporting of ESG data by the companies. Successful application of the screens will depend on the index provider's proper identification and analysis of ESG data.

Vanguard does not provide any guarantee with respect to the quality, accuracy, or completeness of the information provided by Morningstar, MSCI, or FTSE.

1 **Parent Benchmark** refers to the broad market index from which the fund's benchmark is derived, prior to the screening of any environmental, social, and governance criteria.

2 Metrics are aligned to the TCFD's 2021 implementation guidance and the methodology of the Partnership for Carbon Accounting Financials (PCAF). **Fund scope 1 emissions** are calculated by summing the product of the fund's percentage ownership of each investee company's enterprise value including cash (EVIC) by the investee company's Scope 1 emissions, expressed in metric tons of carbon dioxide equivalent (tCO2e). **Fund scope 2 emissions** are calculated by summing the product of the fund's percentage ownership of each investee company's EVIC by the investee company's Scope 2 emissions, expressed in tCO2e. **Total carbon footprint** is calculated by summing the product of each investee company's weight by the investee company's Scopes 1 & 2 emissions, and dividing the summation by the total market value of the portfolio, expressed in tCO2e per $1 million invested. **Weighted average carbon intensity (WACI)** is calculated by summing the product of each investee company's weight in the portfolio with that investee company's carbon intensity (derived by dividing the investee company's Scopes 1 & 2 emissions by its revenue), expressed in tCO2e per $1 million in revenue.

3 Coverage is defined as the percentage of eligible securities within our funds and benchmarks for which we have obtained carbon data. The development of carbon metrics is in early stages resulting in challenges in interpreting the data and using it as a basis for investment decision making. For example, the metrics are backward looking and do not recognise future plans to reduce emissions. Carbon metrics may also vary due to being normalized by financial metrics that are prone to market volatility, rather than due to changes to the emissions profile of companies.

4 Certain information © 2023 MSCI ESG Research LLC. Reproduced by permission. These metrics were developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although the Vanguard Group, Inc.'s and Vanguard's information providers including without limitation, MSCI ESG Research LLC and its affiliates (each of the aforementioned parties being the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

5 Refer to the fund's prospectus for more information on the applicable ESG screening methodology.

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Investment risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Past performance is not a reliable indicator of future results.

Funds investing in fixed interest securities carry the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid- offer spread which should be considered fully before investing.

The Funds 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.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments.

For further information on risks please see the "Risk Factors" section of the prospectus on our website at https://global.vanguard.com.

For more information contact your local sales team or:
Web: http://global.vanguard.com
Client Services (Europe): Tel. +44 (0)203 753 4305
Email: european_client_services@vanguard.co.uk
Non advised personal investor: Personal_investor_enquiries@vanguard.co.uk

Important information

This is a marketing communication.

For further information on the fund's investment policies and risks, please refer to the prospectus of the UCITS and to the KID before making any final investment decisions. The KID for this fund is available in local languages, alongside the prospectus via Vanguard's website https://global.vanguard.com/.

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Vanguard Funds plc has been authorised by the Central Bank of Ireland as a UCITS and has been registered for public distribution in certain EEA countries and the UK. Prospective investors are referred to the Funds' prospectus for further information. Prospective investors are also urged to consult their own professional advisers on the implications of making an investment in, and holding or disposing shares of the Funds and the receipt of distributions with respect to such shares under the law of the countries in which they are liable to taxation.

The Manager of Vanguard Funds plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management Limited is the distributor of Vanguard Funds plc.

The Indicative Net Asset Value ("iNAV") for Vanguard's ETFs is published on Bloomberg or Reuters. Refer to the Portfolio Holdings Policy at https://fund-docs.vanguard.com/portfolio-holdings-disclosure-policy.pdf.

The Manager of the Ireland-domiciled funds may determine to terminate any arrangements made for marketing the shares in one or more jurisdictions in accordance with the UCITS Directive, as may be amended from time to time.

For investors in Ireland-domiciled funds, a summary of investor rights can be obtained via https://www.ie.vanguard/content/dam/intl/europe/documents/en/vanguard-investors-rights-summary-irish-funds-jan22.pdf and is available in English, German, French, Spanish, Dutch and Italian.

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