



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

This notice (the “**Notice**”) is sent to Shareholders of the Vanguard ESG Global All Cap 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 Vanguard ESG Global All Cap UCITS ETF, 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 described in the prospectus for the Company dated 10 December 2021 (the “**Prospectus**”).

**LETTER FROM THE BOARD TO THE SHAREHOLDERS OF
VANGUARD ESG GLOBAL ALL CAP UCITS ETF (THE “SUB-FUND”)**

Vanguard Funds plc

*70 Sir John Rogerson's Quay
Dublin 2
Ireland*

*(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**”).*

19 January 2022

Dear Shareholder,

We are writing to you as a Shareholder of the Sub-Fund, to advise you of the following:

The Sub-Fund seeks to track the performance of the FTSE Global All Cap Choice Index (the “**Index**”), an ESG screened index. FTSE Russell (“**FTSE**”), being the Index sponsor, has notified the Company that it intends to make certain changes to the Index methodology with effect from on or around 21 March 2022, in line with the scheduled FTSE re-balancing of the Index (the “**Effective Date**”).

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

Directors: Peter Blessing (Ireland), Tara Doyle (Ireland), William Slattery (Ireland), Michael S. Miller (U.S.A.), Sean Hagerty (U.S.A.), Ann Stock (United Kingdom), Robyn Laidlaw (New Zealand), Karin Risi (U.S.A.)

Proposed Changes to the Index Methodology

There is no change to the Investment Objective of the Sub-Fund as a result of the update articulated below, with the Sub-Fund continuing to seek to track the performance of the Index, and there will also be no material alteration to the Sub-Fund's risk profile or sectoral / country exposures. You are not required to take any action in respect of the proposed changes.

The methodology changes being made by FTSE relate to (a) changes in revenue thresholds used in determining whether or not a company is eligible for inclusion in the Index and/or (b) changes to the permitted level of involvement (i.e., primary and secondary involvement) of a company in the following categories: alcohol, gambling, adult entertainment, tobacco, conventional weapons, civilian firearms and non-renewable energy. Cannabis has also been added as a separate screening category of vice products, whereas it was previously captured within the tobacco screening category.

The Primary Investment Strategies section of the supplement for the Sub-Fund, which forms part of the Prospectus, will also be updated, where relevant, to reflect consistency with the revised index methodology description by which FTSE screens for environmental and social characteristics. The updated Index description can be found in the Appendix to this Notice.

With effect from the proposed Effective Date, up to date details as to the Index's exact composition, methodology, exclusions and any revenue thresholds, can be obtained at <https://www.ftserussell.com/products/indices/global-choice>.

Secondary market investors

Please note that investors buying and selling shares of the sub-funds of the Company through a broker/market maker/Authorised Participant, and/or investors who hold shares through a nominee and/or clearing agent, will not appear in the 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.

This Notice will be sent by the Company to the Common Depositary's Nominee for transmission to the International Central Securities Depository ("ICSD", i.e. the clearing and settlement system(s) used in issuing Shares through the ICSD settlement system), who in turn disseminate the Notice to the member firm / stockbroker / ICSD participant for onward transmission to any underlying investors.

The Company has no obligations other than the delivery of the information to the Common Depositary's Nominee and cannot control the onward dissemination of any such information to investors.

If you have queries concerning the matters outlined in this Notice, please contact your tax advisor, local agent, or (if none) Vanguard Asset Management, Limited on +44 203 753 4305.

Yours faithfully,



**For and on behalf of
Vanguard Funds plc**

Appendix

The Index is a market-capitalisation-weighted index composed of large-, mid-, and small-cap stocks of companies located in markets around the world. Market-capitalisation is the value of a company's outstanding shares in the market and shows the size of a company. The Index is constructed from the FTSE Global All Cap Index (the "**Parent Index**") which is then screened for certain environmental, social, and corporate governance criteria by the sponsor of the Index, which is independent of Vanguard.

The Index excludes stocks of companies that the sponsor of the Index determines to be engaged or involved in, and / or derive revenue (above a threshold specified by the Index provider) from, the following activities: (a) Vice Products (i.e., adult entertainment, alcohol, gambling, tobacco, cannabis); (b) Non-Renewable Energy (i.e., nuclear power, fossil fuels (including power generation from oil, gas, and thermal coal)); and (c) Weapons (chemical & biological weapons, cluster munitions, anti-personnel landmines, nuclear weapons, civilian firearms, and conventional military weapons). The index methodology also excludes companies that, as determined by the Index provider, are involved in severe controversies (i.e., companies which do not meet the labour, human rights, environmental, and anti-corruption standards as defined by the United Nations Global Compact Principles).

Further information in relation to the Index, including current details as to its exact composition, methodology, exclusions and any revenue thresholds, can be obtained at <https://www.ftserussell.com/products/indices/global-choice>