

Vanguard Global Aggregate Bond Index (Hedged) ETF

VBND

Key ETF facts

Management fee	0.20% p.a.
Inception date	10 October 2017
Income distribution	Quarterly
Distribution reinvestment plan	Yes
ETF class size	\$197.7 million
Total fund size	\$5,657.0 million
Number of holdings	9,413

Trading information

ASX code	VBND
ISIN	AU00000VBND9
Minimum investment	No minimum
ETF listed on ASX	10 October 2017

Benchmark information

Benchmark (Bmk)	Bloomberg Barclays Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars ^E
Number of holdings	26,433

Investment objective

Vanguard Global Aggregate Bond Index (Hedged) ETF seeks to track the return of the Bloomberg Barclays Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

ETF overview

The ETF provides low cost exposure to high-quality, income-generating securities issued by governments, government-owned entities, government-guaranteed entities, investment-grade corporate issues and securitised assets from around the world. The investments in the ETF are predominantly rated BBB- or higher by Standard & Poor's or equivalent ratings agency. The ETF is hedged to Australian dollars so the value of the ETF is relatively unaffected by currency fluctuations.

Performance return^{A,B,C,E} (%)

	ETF gross	Bmk	ETF total	Distb'n	Growth
1 month	0.44	0.42	0.42	2.80	-2.38
3 months	0.90	0.90	0.85	2.81	-1.96
6 months	3.54	3.60	3.43	3.60	-0.17
1 year	3.71	4.00	3.50	4.56	-1.06
3 years (p.a.)	N/A	N/A	N/A	N/A	N/A
5 years (p.a.)	N/A	N/A	N/A	N/A	N/A
10 years (p.a.)	N/A	N/A	N/A	N/A	N/A
Inception (p.a.)	4.90	4.95	4.69	2.75	1.94

Year to year gross return^{A,B,C,E} (%)

	Dec - Dec		June - June	
	ETF	Bmk	ETF	Bmk
YTD	4.57	4.84	0.90	0.90
2020	N/A	N/A	5.32	5.60
2019	7.63	7.57	7.65	7.50
2018	1.58	1.55	0.76	0.80
2017	N/A	N/A	N/A	N/A

Income distribution^D

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	151.8773	\$52.9317

Notes

- ^A Past performance is not an indication of future performance.
- ^B Returns assume reinvestment of all distributions. Returns for periods longer than 1 year are annualised. ETF gross returns are before management fees and taxes, but after transaction and operational costs. ETF total return is the ETF gross return less management fees. Index returns do not allow for taxes, management, transaction and operational costs.
- ^C Returns assume that an investor purchased units at Net Asset Value (NAV) and does not reflect the transaction costs imposed on the creation and redemptions of ETF Units, brokerage or the bid ask spread that investors pay to buy and sell ETF securities on the Australian Securities Exchange.
- ^D Past distributions are not an indication of future distributions.
- ^E Prior to 1 April 2019, the Fund's benchmark was the Bloomberg Barclays Global Aggregate Float-Adjusted Index hedged into Australian dollars.

Vanguard Global Aggregate Bond Index (Hedged) ETF

VBND

Characteristics

	Underlying ETF	Bmk
Number of issuers	2,393	4,731
Number of holdings	9,413	26,433
Yield to maturity	0.78%	0.81%
Weighted average coupon	2.3%	2.6%
Weighted average maturity	9.4 years	9.5 years
Weighted average credit quality	AA-	AA-
Effective duration	7.4 years	7.4 years
Running yield	1.95%	2.22%

Top 10 issuers

1. United States Treasury
2. Japan (Government Of)
3. France (Republic Of)
4. Federal National Mortgage Association
5. Italy (Republic Of)
6. Germany (Federal Republic Of)
7. United Kingdom Of Great Britain And Northern Ireland (Government)
8. Government National Mortgage Association li
9. Spain (Kingdom Of)
10. Korea (Republic Of)

The top 10 issuers represent 47.7% of the total underlying ETF.

Sector allocation (%)

	Underlying ETF	Bmk
Treasury	51.1	50.9
Corporate	24.3	23.5
Government-Related	13.7	13.7
Securitized	10.8	11.8
Other	0.1	0.1

Credit allocation (%)

	Underlying ETF	Bmk
AAA	40.4	40.4
AA	16.2	16.4
A	23.6	23.2
BBB	18.9	18.9
Not rated	0.9	1.1

For more information:

Personal investors can transact in Vanguard ETFs through their financial adviser or stockbroker. Our telephone service is available from 8am to 6pm, Monday-Friday AEST.

For personal investors:

Call 1300 655 888
Email clientservices@vanguard.com.au

For advisers:

Call 1300 655 888
Email adviserservices@vanguard.com.au

For institutional investors:

Call 1300 655 888
Email institutional@vanguard.com.au

In preparing the above information, individual circumstances, for example tax implications, have not been taken into account and it may therefore not be applicable to an individual's situation. Before making an investment decision, you should consider your or your clients' circumstances and whether the above information is applicable to your or your clients' situation. Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) (Vanguard) is the issuer of the Vanguard® Australian ETFs. Vanguard ETFs will only be issued to Authorised Participants, that is persons who have been authorised as trading participants under the ASX Operating Rules ("Eligible Investors"). Retail investors can transact in Vanguard ETFs through a stockbroker or financial adviser on the secondary market. Investors should consider the Product Disclosure Statement in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Product Disclosure Statement for informational purposes only. You can access the Product Disclosure Statement on our website. Unless otherwise stated, all currencies shown in this document are in Australian dollars.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS® is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg"), or Bloomberg's licensors own all proprietary rights in the Bloomberg Barclays Indices.

The products are not sponsored, endorsed, issued, sold or promoted by Bloomberg or Barclays. Bloomberg and Barclays make no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Barclays Indices to track general bond market performance. Neither Bloomberg nor Barclays has passed on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Barclays Indices which are determined, composed and calculated by BISL without regard to Vanguard or the products or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products or the owners of the products into consideration in determining, composing or calculating the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Neither Bloomberg nor Barclays has any obligation or liability in connection with the administration, marketing or trading of the products.

Market allocation (%)

	Fund	Bmk		Fund	Bmk
United States	41.3	40.6	Netherlands	1.8	1.8
Japan	9.6	9.7	Korea	1.6	1.6
France	6.8	7.0	Belgium	1.3	1.3
Germany	6.0	6.2	China	1.2	1.3
United Kingdom	4.4	4.6	Switzerland	1.1	0.9
Italy	4.3	4.2	Austria	0.8	0.8
Canada	4.0	3.7	Sweden	0.8	0.8
Spain	3.0	3.0	Indonesia	0.6	0.6
Supranational	2.5	2.4	Mexico	0.6	0.6
Australia	1.8	2.0	Other	6.5	6.9

Glossary

Yield to maturity is the rate of return an investor would receive if the fund's fixed income securities were held to their maturity dates. The figure does not include the return component from hedging.

Weighted average coupon is the average interest rate (coupon rate) of all the bonds in a fund.

Weighted average maturity is the time from today until a bond matures or is redeemed by its issuer. Within a portfolio, the statistic is calculated for each bond and weighted by each bond's market value. In general, the longer a fund's average weighted maturity, the more its unit price will fluctuate in response to changing interest rates.

Weighted average credit quality is an indicator of credit risk. This figure is the average credit ratings assigned to a fund's holdings by credit rating agencies. Agencies assign credit ratings 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.

Effective duration is an option-adjusted measure of a portfolio's sensitivity to a change in interest rates. For example, if a bond has a duration of two years, its price would fall about 2% when interest rates rose one percentage point. On the other hand, the bond's price would rise by about 2% when interest rates fell by one percentage point.

Running yield for an individual bond is the annual dollar interest payment (coupon) of the bond divided by its market price. Within a portfolio, the statistic is calculated for each bond and weighted by each bond's market value.