

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged

Key fund facts	
Management fee	0.28% p.a.
Buy spread	0.13%
Sell spread	0.13%
Inception date	07 August 2018
Income distribution	Quarterly
Fund size	\$1,097.8 million
Number of holdings	4,634

Trading information	
APIR code	VAN1233AU
Minimum investment	\$500,000 (No minimums apply for platforms)
Platform availability	For platform availability visit vanguard.com.au/mastertrust

Benchmark information	
Benchmark (Bmk)	Bloomberg Barclays MSCI Global Aggregate SRI Exclusion Float Adjusted Hedged into NZD Index
Number of holdings	22,588

Investment objective

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged seeks to track the return of the Bloomberg Barclays MSCI Global Aggregate SRI Exclusions Float Adjusted Hedged into New Zealand dollars Index before taking into account fees, expenses and tax.

Fund overview

The Fund 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 Fund excludes companies with significant business activities involving fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons, adult entertainment and conduct related screens based on severe controversies.

The investments in the Fund are predominantly rated BBB- or higher by Standard & Poor's or equivalent ratings agency. The Fund is hedged to New Zealand dollars so the value of the Fund is relatively unaffected by currency fluctuations.

Performance return^{A,B} (%)

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	0.46	0.47	0.44	1.92	-1.48
3 months	0.81	0.87	0.74	1.92	-1.18
6 months	3.29	3.45	3.14	2.48	0.66
1 year	4.21	4.43	3.92	3.59	0.33
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.)	6.60	6.67	6.30	4.04	2.26

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

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	5.04	5.21	0.81	0.87
2020	N/A	N/A	6.04	6.16
2019	7.32	7.31	N/A	N/A

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	2.0427	\$1.0493

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. Fund gross returns are before management fees and taxes, but after transaction and operational costs. Fund total return is the fund gross return less management fees. Index returns do not allow for taxes, management, transaction and operational costs.
C Past distributions are not an indication of future distributions.

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Characteristics

	Fund	Bmk
Number of issuers	1,294	4,045
Number of holdings	4,634	22,588
Yield to maturity	0.69%	0.73%
Weighted average coupon	2.0%	2.5%
Weighted average maturity	8.9 years	9.2 years
Weighted average credit quality	AA-	AA-
Effective duration	7.4 years	7.4 years
Running yield	1.79%	2.15%

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. Government National Mortgage Association li
8. United Kingdom Of Great Britain And Northern Ireland (Government)
9. Spain (Kingdom Of)
10. Korea (Republic Of)

The top 10 issuers represent 51.2% of the total fund.

Sector allocation (%)

	Fund	Bmk
Treasury	55.1	54.3
Corporate	19.9	19.4
Government-Related	13.7	13.6
Securitized	11.2	12.6
Other	0.1	0.1

Credit allocation (%)

	Fund	Bmk
AAA	42.8	43.0
AA	16.5	16.8
A	22.7	22.5
BBB	16.9	16.5
Not rated	1.1	1.2

For more information:

Our telephone service is available from 8am to 6pm, Monday-Friday AEST.

For personal investors:

Call 1300 655 101

Email clientservices@vanguard.com.au

For advisers:

Call 1300 655 205

Email adviserservices@vanguard.com.au

For institutional investors:

Call 1300 655 102

Email institutional@vanguard.com.au

Market allocation (%)

	Fund	Bmk		Fund	Bmk
United States	40.6	40.1	Netherlands	1.8	1.7
Japan	10.4	10.3	Korea	1.7	1.6
France	7.1	7.0	Belgium	1.2	1.2
Germany	6.0	6.3	China	1.2	1.2
Italy	4.4	4.3	Switzerland	0.9	1.0
United Kingdom	4.0	4.5	Austria	0.8	0.9
Canada	3.7	3.5	Sweden	0.8	0.8
Spain	3.4	3.2	Indonesia	0.6	0.6
Supranational	2.5	2.6	Mexico	0.6	0.6
Australia	2.0	2.0	Other	6.3	6.6

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.

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