

Vanguard Australian Fixed Interest Index Fund

Key fund facts

Management fee	0.24% p.a.
Buy spread	0.08%
Sell spread	0.08%
Inception date	06 June 1997
Income distribution	Quarterly
Wholesale class size	\$7,237.9 million
Total fund size	\$8,688.00 million
Number of holdings	585

Trading information

APIR code	VAN0001AU
Minimum investment	\$500,000 (No minimums apply for platforms)
Platform availability	For platform availability visit vanguard.com.au/mastertrust

Benchmark information

Benchmark (Bmk)	Bloomberg AusBond Composite 0+ Yr Index
Number of holdings	665

Investment objective

Vanguard Australian Fixed Interest Index Fund seeks to track the return of the Bloomberg AusBond Composite 0+ Yr Index before taking into account fees, expenses and tax.

Fund overview

The Fund invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations, investment-grade corporate issuers, as well as overseas entities that issue debt in Australia, in Australian dollars. While being low cost, the Fund also provides some protection against capital volatility. The investments in the Fund are predominantly rated BBB- or higher by Standard & Poor's ratings agency or equivalent.

Performance return^{A,B}(%)

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	1.10	1.08	1.08	0.68	0.40
3 months	1.04	1.02	0.98	0.67	0.31
6 months	1.51	1.55	1.38	2.02	-0.64
1 year	3.24	3.21	2.99	3.39	-0.40
3 years (p.a.)	5.99	5.96	5.73	3.02	2.71
5 years (p.a.)	4.57	4.53	4.32	3.27	1.05
10 years (p.a.)	5.62	5.58	5.36	4.31	1.05
Inception (p.a.)	6.24	6.12	5.95	5.15	0.80

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

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	4.61	4.59	1.04	1.02
2020	N/A	N/A	4.18	4.18
2019	7.29	7.26	9.62	9.57
2018	4.56	4.54	3.12	3.09
2017	3.72	3.66	0.32	0.25

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	0.8079	\$1.2042

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	185	187
Number of holdings	585	665
Yield to maturity	0.70%	0.69%
Weighted average coupon	3.2%	3.1%
Weighted average maturity	7.0 years	6.9 years
Weighted average credit quality	AA+	AAA
Effective duration	6.1 years	6.1 years
Running yield	2.88%	2.80%

Top 10 issuers

1. Australia (Commonwealth Of)
2. Queensland Treasury Corporation
3. New South Wales Treasury Corporation
4. Treasury Corporation Of Victoria
5. Western Australian Treasury Corporation
6. South Australian Government Financing Authority
7. Kfw
8. European Investment Bank
9. International Bank For Reconstruction And Development
10. Landwirtschaftliche Rentenbank

The top 10 issuers represent 83.9% of the total fund.

Sector allocation (%)

	Fund	Bmk
Treasury	57.1	57.4
Government-Related	35.7	35.5
Corporate	6.6	6.6
Securitized	0.6	0.5

Credit allocation (%)

	Fund	Bmk
AAA	77.6	78.0
AA	16.7	16.5
A	3.2	3.1
BBB	2.5	2.4

Market allocation (%)

	Fund	Bmk		Fund	Bmk
Australia	86.9	87.3	France	0.2	0.1
Supranational	4.8	4.7	Sweden	0.2	0.1
Germany	2.6	2.5	United Arab Emirates	0.2	0.2
Netherlands	1.3	1.2	United Kingdom	0.2	0.4
Canada	1.1	1.0	Austria	0.1	0.1
United States	1.0	1.0	Finland	0.1	0.1
Norway	0.5	0.6	Japan	0.1	0.1
Korea	0.3	0.2	Switzerland	0.1	0.1
New Zealand	0.3	0.2	Belgium	0.0	0.1

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.

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.

For more information:

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