

Vanguard Australian Government Bond Index ETF

VGB

Key ETF facts

| | |
|--------------------------------|-------------------|
| Management fee | 0.20% p.a. |
| Inception date | 24 April 2012 |
| Income distribution | Quarterly |
| Distribution reinvestment plan | Yes |
| ETF class size | \$580.6 million |
| Total fund size | \$1,193.3 million |
| Number of holdings | 138 |

Trading information

| | |
|--------------------|---------------|
| ASX code | VGB |
| ISIN | AU000000VGB4 |
| Minimum investment | No minimum |
| ETF listed on ASX | 30 April 2012 |

Benchmark information

| | |
|--------------------|------------------------------------|
| Benchmark (Bmk) | Bloomberg AusBond Govt 0+ Yr Index |
| Number of holdings | 141 |

Investment objective

Vanguard Australian Government Bond Index ETF seeks to track the return of the Bloomberg AusBond Govt 0+ Yr Index before taking into account fees, expenses and tax.

ETF overview

The ETF invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations. While being low cost, the ETF also provides some protection against capital volatility. The investments in the ETF are predominantly rated AA or higher by Standard & Poor's ratings agency or equivalent.

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

| | ETF gross | Bmk | ETF total | Distb'n | Growth |
|------------------|-----------|------|-----------|---------|--------|
| 1 month | 1.23 | 1.21 | 1.21 | 0.54 | 0.67 |
| 3 months | 0.98 | 0.95 | 0.93 | 0.54 | 0.39 |
| 6 months | 1.20 | 1.22 | 1.10 | 1.65 | -0.55 |
| 1 year | 3.22 | 3.14 | 3.02 | 2.98 | 0.04 |
| 3 years (p.a.) | 6.30 | 6.24 | 6.08 | 2.69 | 3.39 |
| 5 years (p.a.) | 4.64 | 4.59 | 4.43 | 2.64 | 1.79 |
| 10 years (p.a.) | N/A | N/A | N/A | N/A | N/A |
| Inception (p.a.) | 5.04 | 4.98 | 4.83 | 4.00 | 0.83 |

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

| | Dec - Dec | | June - June | |
|------|-----------|------|-------------|-------|
| | ETF | Bmk | ETF | Bmk |
| YTD | 4.90 | 4.83 | 0.98 | 0.95 |
| 2020 | N/A | N/A | 4.39 | 4.33 |
| 2019 | 7.61 | 7.56 | 10.29 | 10.24 |
| 2018 | 4.81 | 4.78 | 3.02 | 3.00 |
| 2017 | 3.42 | 3.39 | -0.38 | -0.41 |

Income distribution^D

| Quarter ended | Amount (CPU) | Reinvestment price |
|-------------------|--------------|--------------------|
| 30 September 2020 | 28.7826 | \$53.6275 |

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.

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Characteristics

| | ETF | Bmk |
|---------------------------------|-----------|-----------|
| Number of issuers | 11 | 9 |
| Number of holdings | 138 | 141 |
| Yield to maturity | 0.63% | 0.63% |
| Weighted average coupon | 3.0% | 3.0% |
| Weighted average maturity | 7.5 years | 7.5 years |
| Weighted average credit quality | AAA | AAA |
| Effective duration | 6.6 years | 6.6 years |
| Running yield | 2.70% | 2.69% |

Top 10 issuers

1. Australia (Commonwealth Of)
 2. Queensland (State Of)
 3. New South Wales (State Of)
 4. Victoria (State Of)
 5. Western Australia (State Of)
 6. South Australia (State Of)
 7. Northern Territory (Government Of)
 8. Australian Capital Territory (Government Of)
 9. Tasmania (State Of)
- The top 10 issuers represent 100.0% of the total ETF.

Sector allocation (%)

| | ETF | Bmk |
|--------------------|------|------|
| Treasury | 69.9 | 69.9 |
| Government-Related | 30.1 | 30.1 |

Credit allocation (%)

| | ETF | Bmk |
|-----|------|------|
| AAA | 83.5 | 83.5 |
| AA | 16.5 | 16.5 |

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.

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:

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