

Please note:

Effective from 1 October 2020, the management fee changed to a single tier fee of 0.29%.

Fact sheet | 30 September 2020

Vanguard Index Diversified Bond Fund

Key fund facts	
Management fee	
- First \$50,000	0.75% p.a.
- Next \$50,000	0.50% p.a.
- Balance over \$100,000	0.35% p.a.
Buy spread	0.12%
Sell spread	0.23%
Inception date	19 January 2000
Income distribution	Quarterly
Fund size	\$85.8 million

Trading information	
APIR code	VAN0101AU
Minimum investment	\$5,000

Benchmark information	
Benchmark (Bmk)	Diversified Bond Composite Index ^{D,E,F}

Investment objective

Vanguard Index Diversified Bond Fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Barclays Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

Fund overview

The Fund provides low-cost access to a broadly diversified portfolio of Australian and International bonds. It invests in high-grade securities issued by government, government-owned and government guaranteed entities, corporate issues and securitised assets. The Fund delivers regular income along with moderate long-term growth. The investments in the Fund are predominantly rated BBB- or higher by Standard & Poor's rating agency or equivalent.

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

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	0.63	0.62	0.57	2.24	-1.67
3 months	0.96	0.94	0.77	2.25	-1.48
6 months	2.94	2.99	2.56	3.26	-0.70
1 year	3.65	3.78	2.88	3.41	-0.53
3 years (p.a.)	5.25	5.26	4.47	2.40	2.07
5 years (p.a.)	4.65	4.63	3.87	4.33	-0.46
10 years (p.a.)	5.74	5.73	4.95	4.59	0.36
Inception (p.a.)	6.82	6.75	6.02	5.26	0.76

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

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	4.66	4.78	0.96	0.94
2020	N/A	N/A	5.06	5.20
2019	7.56	7.49	8.25	8.12
2018	2.48	2.44	2.16	2.16
2017	3.74	3.72	0.36	0.33

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	2.6680	\$1.1697

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.
- D** Diversified Bond Composite Index comprises of (weight/index): 30% Bloomberg AusBond Composite 0+ Yr Index, 70% Bloomberg Barclays Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars.
- E** Prior to 1 April 2019, the Fund's benchmark was the Diversified Bond Composite Index comprised of (weight/index): 30% Bloomberg AusBond Composite 0+ Yr Index, 70% Bloomberg Barclays Global Aggregate Float-Adjusted Index hedged into Australian dollars.
- F** The benchmark reflects strategic asset allocation changes and underlying benchmark changes that have occurred over time.

Vanguard Index Diversified Bond Fund

Characteristics

	Fund	Bmk
Yield to maturity	0.75%	0.78%
Weighted average coupon	2.6%	2.7%
Weighted average maturity	8.6 years	8.7 years
Effective duration	7.0 years	7.0 years
Running yield	2.23%	2.39%

Credit allocation (%)

	Fund	Bmk
AAA	51.5	51.7
AA	16.4	16.5
A	17.5	17.1
BBB	14.0	13.9
Not rated	0.6	0.8

Sector allocation (%)

	Fund	Bmk
Treasury	52.7	52.8
Government-Related	20.3	20.2
Corporate	19.1	18.5
Securitized	7.8	8.4
Other	0.1	0.1

Market allocation (%)

	Fund	Bmk		Fund	Bmk
United States	29.2	28.7	Netherlands	1.6	1.6
Australia	27.3	27.6	Korea	1.2	1.2
Japan	6.8	6.8	Belgium	0.9	0.9
Germany	4.9	5.1	China	0.8	0.9
France	4.8	4.9	Switzerland	0.8	0.7
Supranational	3.2	3.1	Austria	0.6	0.6
United Kingdom	3.2	3.4	Sweden	0.6	0.6
Canada	3.1	2.9	Norway	0.5	0.4
Italy	3.0	3.0	Finland	0.4	0.3
Spain	2.1	2.1	Other	5.0	5.2

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.

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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