

# Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF

**VEFI**

## Key ETF facts

Management fee	0.26% p.a.
Inception date	11 September 2018
Income distribution	Quarterly
Distribution reinvestment plan	Yes
ETF class size	\$20.4 million
Total fund size	\$1,012.4 million
Number of holdings	4,634

## Trading information

ASX code	VEFI
ISIN	AU0000022501
Minimum investment	No minimum
ETF listed on ASX	13 September 2018

## Benchmark information

Benchmark (Bmk)	Bloomberg Barclays MSCI Global Agg SRI Exclusions Float Adjusted Index hedged into Australian dollars
Number of holdings	22,588

## Investment objective

Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF seeks to track the return of the Bloomberg Barclays MSCI Global Aggregate SRI Exclusions Float Adjusted 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 ETF 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 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<sup>A,B,C</sup> (%)

	ETF gross	Bmk	ETF total	Distb'n	Growth
1 month	0.47	0.46	0.45	2.86	-2.41
3 months	0.83	0.85	0.76	2.87	-2.11
6 months	3.30	3.28	3.17	3.90	-0.73
1 year	3.99	4.04	3.72	4.59	-0.87
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.)	6.71	6.65	6.43	3.22	3.21

## Year to year gross return<sup>A,B,C</sup> (%)

	Dec - Dec		June - June	
	ETF	Bmk	ETF	Bmk
YTD	4.91	4.94	0.83	0.85
2020	N/A	N/A	5.69	5.64
2019	7.14	7.02	7.22	7.13
2018	1.65	1.63	N/A	N/A

## Income distribution<sup>D</sup>

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	156.2008	\$53.3451

## Notes

- <sup>A</sup> Past performance is not an indication of future performance.
- <sup>B</sup> 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.
- <sup>C</sup> 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.
- <sup>D</sup> Past distributions are not an indication of future distributions.

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## Characteristics

	Underlying ETF	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 underlying ETF.

## Sector allocation (%)

	Underlying ETF	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 (%)

	Underlying ETF	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:

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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## 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.