

Vanguard International Fixed Interest Index Fund (Hedged)

Key fund facts

Management fee	0.26% p.a.
Buy spread	0.08%
Sell spread	0.08%
Inception date	27 July 1999
Income distribution	Quarterly
Wholesale class size	\$1,930.7 million
Total fund size	\$2,498.6 million
Number of holdings	1,586

Trading information

APIR code	VAN0103AU
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 Global Treasury Scaled Index hedged into Australian dollars ^{D,E}
Number of holdings	1,724

Investment objective

Vanguard International Fixed Interest Index Fund (Hedged) seeks to track the return of the Bloomberg Barclays Global Treasury Scaled Index hedged into Australian dollars 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 from around the world. The Fund invests in fixed income securities that generally range in credit quality from BBB- to AAA as rated by Standard & Poor's or equivalent ratings agency. The Fund is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations.

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

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	0.72	0.70	0.70	3.19	-2.49
3 months	0.58	0.57	0.51	3.18	-2.67
6 months	1.40	1.46	1.27	6.80	-5.53
1 year	3.18	3.19	2.91	7.61	-4.70
3 years (p.a.)	4.90	4.88	4.63	4.09	0.54
5 years (p.a.)	4.46	4.48	4.19	4.54	-0.35
10 years (p.a.)	5.64	5.67	5.35	4.85	0.50
Inception (p.a.)	6.79	6.85	6.48	5.62	0.86

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

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	4.79	4.81	0.58	0.57
2020	N/A	N/A	5.36	5.35
2019	6.31	6.23	7.07	7.00
2018	2.73	2.73	2.45	2.46
2017	2.76	2.80	-1.03	-0.97

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	3.9180	\$1.1984

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 Prior to 1 July 2008, the Fund's benchmark was the Citigroup World Government Bond Index hedged into Australian dollars.
- E Prior to 1 April 2019, the Fund's benchmark was the Bloomberg Barclays Global Treasury Index hedged into Australian dollars.

Vanguard International Fixed Interest Index Fund (Hedged)

Characteristics

	Fund	Bmk
Number of issuers	63	65
Number of holdings	1,586	1,724
Yield to maturity	0.33%	0.34%
Weighted average coupon	1.8%	2.0%
Weighted average maturity	10.2 years	10.3 years
Weighted average credit quality	AA-	AA-
Effective duration	8.7 years	8.7 years
Running yield	1.54%	1.69%

Top 10 issuers

1. United States Of America
2. Japan (Government Of)
3. United Kingdom Of Great Britain And Northern Ireland (Government)
4. France (Republic Of)
5. Italy (Republic Of)
6. Germany (Federal Republic Of)
7. Spain (Kingdom Of)
8. Korea (Republic Of)
9. Australia (Commonwealth Of)
10. Belgium (Kingdom Of)

The top 10 issuers represent 88.2% of the total fund.

Sector allocation (%)

	Fund	Bmk
Treasury	100.0	100.0

Credit allocation (%)

	Fund	Bmk
AAA	37.6	38.9
AA	19.5	19.0
A	33.6	32.8
BBB	9.3	9.1

Market allocation (%)

	Fund	Bmk		Fund	Bmk
United States	27.5	28.2	Canada	1.5	1.5
Japan	27.1	26.5	Netherlands	1.2	1.2
United Kingdom	7.2	7.0	Austria	0.9	1.0
France	6.9	6.7	Indonesia	0.6	0.6
Italy	6.2	6.1	Ireland	0.6	0.5
Germany	4.5	4.9	Malaysia	0.6	0.6
Spain	3.8	3.9	Portugal	0.6	0.6
Korea	1.9	1.9	Mexico	0.5	0.5
Australia	1.6	1.7	Thailand	0.5	0.6
Belgium	1.6	1.6	Other	4.7	4.4

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:

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

The Products are not sponsored, endorsed, sold or promoted by Barclays Capital Inc. or its affiliates ("Barclays"). Barclays does not make any representation regarding the advisability of investing in the Products or the advisability of investing in securities generally. Barclays' only relationship with Vanguard is the licensing of the Index which is determined, composed and calculated by Barclays without regard to Vanguard or the Products. Barclays has no obligation to take the needs of Vanguard or the owners of the Products into consideration in determining, composing or calculating the Index. Barclays has no obligation or liability in connection with administration, marketing or trading of the Products.