



Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged

| Key fund facts | |
|---------------------|-----------------|
| Management fee | 0.28% p.a. |
| Buy spread | 0.15% |
| Sell spread | 0.15% |
| Inception date | 07 August 2018 |
| Income distribution | Quarterly |
| Fund size | \$289.9 million |
| Number of holdings | 1,438 |

| Trading information | |
|-----------------------|--|
| APIR code | VAN1233AU |
| 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 MSCI Global Aggregate SRI Exclusion Float Adjusted Hedged into NZD Index |
| Number of holdings | 20,291 |

Investment objective

The Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged seeks to track the return of the Bloomberg Barclays MSCI Global Aggregate SRI Exclusions Float Adjusted Index hedged into New Zealand 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, government-owned entities, government-guaranteed entities, investment-grade corporate issues and securitised assets from around the world. The fund excludes securities associated with fossil fuels, alcohol, tobacco, gambling, military weapons and civilian firearms, nuclear power and adult entertainment.

The investments in the Fund are predominantly rated BBB- or higher by Standard & Poor's or equivalent ratings agency. The Fund is hedged to New Zealand dollars so the value of the Fund is relatively unaffected by currency fluctuations.

Performance return^{A,B}(%)

| | Fund gross | Bmk | Fund total | Distb'n | Growth |
|-----------------|------------|------|------------|---------|--------|
| 1 month | 1.44 | 1.43 | 1.42 | 2.04 | -0.62 |
| 3 months | 1.77 | 1.75 | 1.70 | 2.05 | -0.35 |
| 6 months | N/A | N/A | N/A | N/A | N/A |
| 1 year | N/A | N/A | N/A | N/A | N/A |
| 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 | 1.75 | 1.75 | 1.64 | 2.17 | -0.53 |

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

| | Dec - Dec | | June - June | |
|------|-----------|------|-------------|-----|
| | Fund | Bmk | Fund | Bmk |
| YTD | 1.75 | 1.75 | N/A | N/A |
| 2018 | 1.75 | 1.75 | N/A | N/A |

Income distribution^C

| Quarter ended | Amount (CPU) | Reinvestment price |
|------------------|--------------|--------------------|
| 31 December 2018 | 2.0425 | \$0.9947 |

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 | 571 | 3,929 |
| Number of holdings | 1,438 | 20,291 |
| Yield to maturity | 1.99% | 1.96% |
| Weighted average coupon | 2.4% | 2.7% |
| Weighted average maturity | 8.7 years | 8.8 years |
| Weighted average credit quality | AA- | AA- |
| Effective duration | 6.8 years | 6.8 years |
| Running yield | 2.32% | 2.51% |

Top 10 issuers

1. United States Treasury
2. Japan (Government Of)
3. Federal National Mortgage Association
4. France (Republic Of)
5. Government National Mortgage Association li
6. United Kingdom (Government Of)
7. Federal Home Loan Mortgage Corporation - Gold
8. Italy (Republic Of)
9. Germany (Federal Republic Of)
10. Spain (Kingdom Of)

The top 10 issuers represent 61.0% of the total fund.

Sector allocation (%)

| | Fund | Bmk |
|--------------------|------|------|
| Treasury | 56.6 | 56.6 |
| Corporate | 17.7 | 16.6 |
| Securitized | 14.2 | 15.3 |
| Government-Related | 11.4 | 11.4 |
| Other | 0.1 | 0.1 |

Credit allocation (%)

| | Fund | Bmk |
|-----------|------|------|
| AAA | 41.2 | 42.1 |
| AA | 16.0 | 15.8 |
| A | 28.9 | 27.4 |
| BBB | 13.3 | 13.7 |
| Below BBB | 0.1 | 0.0 |
| Not rated | 0.5 | 1.0 |

Market allocation (%)

| | Fund | Bmk | | Fund | Bmk |
|----------------|------|------|-------------|------|-----|
| United States | 39.2 | 39.2 | Netherlands | 1.6 | 1.7 |
| Japan | 18.3 | 17.9 | Korea | 1.2 | 1.5 |
| France | 6.2 | 5.8 | Belgium | 1.0 | 1.1 |
| Germany | 5.3 | 5.3 | Switzerland | 1.0 | 0.8 |
| United Kingdom | 5.1 | 5.1 | China | 0.8 | 0.6 |
| Italy | 3.9 | 3.7 | Sweden | 0.7 | 0.8 |
| Canada | 2.8 | 3.2 | Austria | 0.6 | 0.7 |
| Spain | 2.7 | 2.7 | Indonesia | 0.6 | 0.4 |
| Supranational | 2.4 | 2.3 | Mexico | 0.5 | 0.5 |
| Australia | 1.7 | 1.5 | Other | 4.4 | 5.2 |

Glossary

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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