

Annual Report and Financial Statements | 31 July 2020

Vanguard Investments Money Market Funds

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* The items with an asterisk, plus the Fund's Investment Objective, Investment Strategy and Performance Comparative Table, collectively constitute the Authorised Corporate Director's Report.

Vanguard Investments Money Market Funds Authorised Corporate Director's Commentary and Statement of Responsibilities

For the period 17 July 2019 (inception) to 31 July 2020

The Authorised Corporate Director ("ACD") of Vanguard Investments Money Market Funds (the "Company") is Vanguard Investments UK, Limited. The ACD is the sole director of the Company. The Depositary is State Street Trustees Limited and the Independent Auditors are PricewaterhouseCoopers LLP. The Company is an authorised open-ended investment company with variable capital under Regulation 14 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 (as amended) (the "OEIC Regulations"), and the shareholders are not liable for the debts of the Company.

The Company is an "Umbrella Company" that currently consists of 1 sub-fund ("Fund(s)") and therefore new Funds may be formed by the ACD subject to regulatory approval.

The investment objective of the Fund, the ACD's policy for pursuing that objective and a review of the Fund's investment activities for the relevant period are set out in this Annual Report and Financial Statements.

Important Events During the Period

With effect from 20 January 2020, John Bendl was appointed as a director of Vanguard Investments UK, Limited.

With effect from 3 February 2020, Maureen Erasmus was appointed as a director of Vanguard Investments UK, Limited.

From 11 May 2020, in order to better align the stability in the net asset value of the Fund (the "NAV") with the investment objective of the Fund and expectations of Shareholders, the Management Charge was no longer deducted from capital, but was charged to income.

In connection with this change, the ACD voluntarily reimbursed certain capital expenses to the Income class totaling £14,671 during the period.

Events After the Balance Sheet Date

Starting in August 2020, the ACD agreed to temporarily waive a portion of the Management Charge to all share classes in order to maintain a zero or positive yield.

Potential Implications of Brexit

The United Kingdom ("UK") left the European Union ("EU") on 31 January 2020, with a transition period that will end on 31 December 2020, unless extended (the "Transition Period"). Therefore, the UK has ceased to be an EU Member State but, during the Transition Period, the UK continues to be treated as an EU Member State and EU law continues to apply. The exact nature and extent of the UK's future relationship with the EU, following the Transition Period, remains uncertain.

Political instability and economic uncertainty may lead to speculation and subsequent market volatility, particularly for assets denominated in British pounds. Vanguard continues to encourage investors to follow its core investing principles, including maintaining long-term discipline. The implications of Brexit extend well beyond the UK economy and financial markets, affecting multinational organisations globally. Vanguard remains committed to safeguarding our investors' assets and has devoted significant resources to developing plans to manage the impact of Brexit.

Coronavirus (COVID-19)

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the Fund and thus performance of the Fund. Vanguard continues to encourage investors to follow its core investment principles, including maintaining long-term discipline. Vanguard is committed to safeguarding the assets of investors and their long-term interests.

Authorised Corporate Director's Statement of Responsibilities in Relation to the Financial Statements of the Company and Fund

The Financial Conduct Authority's Collective Investment Schemes sourcebook ("COLL") requires the ACD to prepare Financial Statements for each annual and half-yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Company and Fund and of its net revenue and the net capital gains/(losses) on the property of the Company and Fund for the period.

In preparing the Financial Statements the ACD is required to:

- prepare the Financial Statements on a going-concern basis;
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare Financial Statements in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (now the Investment Association) (the "SORP 2014") and with Financial Reporting Standard ("FRS") 102;
- keep adequate accounting records that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund and Company, and enable it to ensure that the Financial Statements comply with the requirements above.

The ACD is responsible for the management of the Company in accordance with the Company's Instrument of Incorporation, the Prospectus and the COLL and for taking reasonable steps for the prevention and detection of fraud, error and noncompliance with law or regulations.

The ACD's report and the Financial Statements for the period ended 31 July 2020 were signed on 16 November 2020 on behalf of the ACD by:



Michael Gower,
Director
Vanguard Investments UK, Limited
as Authorised Corporate Director of
Vanguard Investments Money Market Funds
16 November 2020



James Norris,
Director
Vanguard Investments UK, Limited
as Authorised Corporate Director of
Vanguard Investments Money Market Funds
16 November 2020

Vanguard Investments Money Market Funds Report of the Depositary to the Shareholders

For the period 17 July 2019 (inception) to 31 July 2020

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations") and the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited
Edinburgh

16 November 2020

Independent Auditors' Report to the Shareholders of Vanguard Investments Money Market Funds

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Vanguard Investments Money Market Funds (the "Company"):

- give a true and fair view of the financial position of the Company and its sub-fund as at 31 July 2020 and of the net revenue and the net capital gains on the scheme property of the Company and its sub-fund for the period then ended ("period" is defined as 17 July 2019 to 31 July 2020); and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Vanguard Investments Money Market Funds is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2020; the Statement of Total Return and the Statement of Change in Net Assets Attributable to shareholders for the period then ended; the Distribution Tables; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or its sub-fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or its sub-fund's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Authorised Corporate Director's Statement of Responsibilities in Relation to the Financial Statements of the Company and Fund set out on page 1, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and its sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or its sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

16 November 2020

Vanguard Sterling Short-Term Money Market Fund

Sub-managed by Vanguard Asset Management, Limited

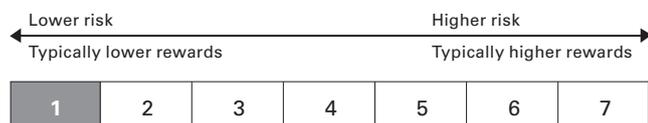
Investment Objective

Vanguard Sterling Short-Term Money Market Fund seeks to provide stability in the value of investments, liquidity and exposure to a variety of investments that typically perform differently from one another while maximising income earned from distributions such as interest (as opposed to that derived from an increase in the value of investments).

Investment Strategy

The Fund seeks to achieve its investment objective predominantly through active management of investments in short-term money market instruments.

Synthetic Risk and Reward Indicator



The Synthetic Risk and Reward Indicator (SRRI) measures the volatility of the Fund. The risk and reward category (which may range from 1 to 7) is calculated using historical data and may not be a reliable indicator of the Fund's future risk profile. The risk and reward category may shift over time and is not a target guarantee. The lowest category (i.e. category 1) does not mean "risk free". The Fund appears in the lower range of the risk and reward indicator because the Fund invests primarily in shares whose values tend to have lower price fluctuations.

Performance Summary

The Performance Summary does not form part of the Financial Statements.

- During the fiscal period ended 31 July 2020, stock markets climbed to record highs then fell precipitously as the COVID-19 pandemic triggered a sharp downturn in global economic activity and an upsurge in unemployment. Central banks acted swiftly to limit the economic damage, slashing short-term interest rates, ramping up bond purchases to keep longer-term rates low and providing liquidity to financial markets. Governments committed trillions in US dollars in spending, loans and loan guarantees. A rebound in US stocks helped offset less robust recoveries in both developed markets outside the United States and emerging markets. Global bonds experienced high volatility as well but produced solid returns for the period.
- The UK exited the European Union in January but with issues remaining over trade, fishing rights, UK-Ireland customs arrangements and other topics. Brexit largely faded from the headlines for several months as the pandemic took hold and attention shifted to the government's scheme to support furloughed workers and the effects of long-term lockdowns. The Bank of England cut interest rates twice in March, from 0.75% to 0.25%, and then to 0.10%. In June, the Bank of England voted to expand its purchases of UK government bonds to £745 billion, an increase of £100 billion.
- Yields on gilts declined across the maturity ranges and turned negative for short-term issues.
- Vanguard Sterling Short-Term Money Market Fund is actively managed and seeks to invest as described in the prospectus. For the 12 months, its benchmark, the 1 Week GBP LIBID, returned 0.32%.

Benchmark: 1 Week GBP LIBID¹

	Total Returns Periods Ended 31 July 2020 (Annualised for periods over one year)	
	One Year	Ten Years or Since Inception ²
A GBP Income Shares	0.56%	0.55%
Benchmark	0.32	0.33
Institutional Plus GBP Accumulation Shares	0.51%	0.51%
Benchmark	0.32	0.33

Sources: Vanguard Global Advisers, LLC, and LIBID.

Basis of performance: NAV to NAV with net income reinvested.

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at <http://global.vanguard.com>. Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost.

¹ LIBID is the abbreviation for the London Interbank Bid Rate, which is normally 12.5 basis points (or one eighth of a percentage point) less than LIBOR. LIBOR is the abbreviation for the London Interbank Offered Rate, the interest rate at which major international banks in London will lend cash to each other and hence an indicator rate for international lending.

² Since-inception returns: A GBP Income Shares and Institutional Plus GBP Accumulation Shares, 17 July 2019.

Performance Comparative Table

	As at 31 July 2020
A GBP Income Shares	
Change in Net Assets Per Share	
Opening Net Asset Value Per Share ¹	£1.000
Return Before Operating Charges ^{*,2}	£0.007
Operating Charges ²	(£0.001)
Return After Operating Charges ^{*,2}	£0.006
Distributions ³	(£0.006)
Closing Net Asset Value Per Share ¹	£1.000
*Net of Direct Transaction Costs of: ⁴	£0.000
Performance	
Return After Operating Charges ^{2,5}	0.57%
Other Information	
Closing Net Asset Value	£25,976,023
Closing Number of Shares	25,976,864
Operating Charges ²	0.12%
Direct Transaction Costs ⁶	0.00%
Prices	
Highest Share Price ⁷	£1.001
Lowest Share Price ⁷	£0.9994

Institutional Plus GBP Accumulation Shares

Change in Net Assets Per Share	
Opening Net Asset Value Per Share ¹	£1.000
Return Before Operating Charges ^{*,2}	£0.006
Operating Charges ²	(£0.001)
Return After Operating Charges ^{*,2}	£0.005
Distributions ³	(£0.006)
Retained Distributions on Accumulation Shares ³	£0.006
Closing Net Asset Value Per Share ¹	£1.005
*Net of Direct Transaction Costs of: ⁴	£0.000
Performance	
Return After Operating Charges ^{2,5}	0.51%
Other Information	
Closing Net Asset Value	£84,104,480
Closing Number of Shares	83,676,071
Operating Charges ²	0.08%
Direct Transaction Costs ⁶	0.00%
Prices	
Highest Share Price ⁷	£1.005
Lowest Share Price ⁷	£1.000

The Fund launched on 17 July 2019.

1 The net asset value per share shown may diverge from the net asset value per share used for dealing purposes as at 31 July 2020 because of any adjustments for trade date accounting or swing pricing and any adjustments in valuation from mid-market prices to bid-market prices.

2 Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in the detailed expenses within the Statement of Total Return and Note 9.

3 The distribution on Income and Accumulation Shares includes distribution paid and payable in the financial period.

4 Direct transaction costs have been calculated against the average shares for the financial period.

5 Returns have been calculated using methods prescribed in the SORP 2014 regulations. They may differ slightly from returns shown in the Fund Performance Summary.

6 Direct transaction costs have been calculated against the average net asset value for the financial period.

7 Share prices represent the net asset value per share used for dealing purposes.

Summary of Significant Changes

For the period 17 July 2019 (inception) to 31 July 2020

	Cost (£)
Largest Purchases	
Credit Agricole CIB	1,405,483,000
Natixis	1,317,472,134
Dz Bank Genossenschaftsbank	1,135,795,000
Rabobank International London	658,250,000
Cooperatieve Rabobank U.A.	326,650,000
Total	4,843,650,134
Total Purchases for the Period	5,405,929,285

	Proceeds (£)
Largest Sales	
Credit Agricole CIB	1,397,483,000
Natixis	1,314,480,000
Dz Bank Genossenschaftsbank	1,124,795,000
Rabobank International London	658,250,000
Cooperatieve Rabobank U.A.	318,650,000
Total	4,813,658,000
Total Sales for the Period	5,303,678,000

All of the above are the cumulative value of rolling short-term deposits.

Portfolio Statement

As at 31 July 2020

	Holding	Market Value (£)	% of Net Asset Value
Certificates of Deposit 20.86%			
France 4.55%			
Credit Agricole Corporate & Investment Bank SA 0.220% 28/09/2020	3,000,000	3,000,420	2.73
Banque Federative Du Credit 0.930% 18/08/2020	2,000,000	2,000,780	1.82
		5,001,200	4.55
Netherlands 5.45%			
ABN Amro Bank N.V. 0.100% 07/10/2020	3,000,000	3,000,270	2.73
Cooperatieve Rabobank U.A. 0.000% 28/01/2021	3,000,000	2,997,630	2.72
		5,997,900	5.45
Sweden 1.82%			
Handelsbanken plc 0.100% 30/09/2020	2,000,000	2,000,120	1.82
		2,000,120	1.82
Switzerland 2.68%			
UBS AG 0.960% 21/10/2020	2,950,000	2,955,458	2.68
		2,955,458	2.68
United Kingdom 6.36%			
Citibank N.A. 0.080% 09/10/2020	3,000,000	2,999,400	2.72
HSBC Bank plc 0.970% 06/01/2021	2,000,000	2,006,880	1.82
Royal Bank of Canada 0.200% 25/06/2021	2,000,000	2,002,480	1.82
		7,008,760	6.36
		22,963,438	20.86
Commercial Paper 11.81%			
Belgium 3.63%			
Sumitomo Mitsui Banking Corp. 0.000% 26/08/2020	4,000,000	3,999,720	3.63
		3,999,720	3.63
Finland 0.91%			
Nordea Bank Abp 0.000% 04/11/2020	1,000,000	999,780	0.91
		999,780	0.91
France 5.45%			
Natixis 0.000% 21/09/2020	3,000,000	2,999,610	2.72
Agence Centrale Organismes 0.000% 24/10/2020	2,000,000	1,999,840	1.82
Agence Centrale Organismes 0.000% 28/09/2020	1,000,000	999,780	0.91
		5,999,230	5.45
United Kingdom 1.82%			
Santander UK plc 0.000% 03/08/2020	2,000,000	1,999,980	1.82
		1,999,980	1.82
		12,998,710	11.81

	Holding	Market Value (£)	% of Net Asset Value
Corporate Bonds 8.78%			
Australia 0.90%			
Westpac Banking Corp. FRN 0.840% 15/08/2020	500,000	499,950	0.45
Westpac Banking Corp. FRN 0.820% 04/09/2020	500,000	499,650	0.45
		999,600	0.90
Canada 1.01%			
Export Development Canada 1.000% 15/12/2020	600,000	601,746	0.55
Export Development Canada FRN 0.780% 19/08/2020	500,000	499,990	0.46
		1,101,736	1.01
Germany 0.48%			
Kreditanstalt fuer Wiederaufbau 0.375% 15/12/2020	522,000	522,433	0.48
		522,433	0.48
Netherlands 1.37%			
BNG Bank N.V. 1.125% 24/05/2021	1,500,000	1,510,473	1.37
		1,510,473	1.37
Sweden 3.65%			
Skandinaviska Enskilda Banken AB 3.000% 18/12/2020	2,000,000	2,018,530	1.83
Svenska Handelsbanken AB 3.000% 20/11/2020	1,500,000	1,511,740	1.37
Skandinaviska Enskilda Banken AB FRN 0.530% 22/03/2021	500,000	500,007	0.45
		4,030,277	3.65
United States 1.37%			
Nestle Holdings Inc. 1.000% 11/06/2021	1,000,000	1,005,500	0.91
Nestle Holdings Inc. 1.750% 09/12/2020	500,000	501,938	0.46
		1,507,438	1.37
		9,671,957	8.78
Government Bonds 23.80%			
United Kingdom 23.80%			
UK Treasury 0.000% 05/10/2020	7,800,000	7,799,718	7.09
UK Treasury 0.000% 24/08/2020	5,000,000	4,999,924	4.54
UK Treasury 3.750% 07/09/2020	4,500,000	4,515,975	4.10
UK Treasury 0.000% 19/10/2020	3,900,000	3,899,694	3.54
UK Treasury 0.000% 03/08/2020	2,700,000	2,699,987	2.45
UK Treasury 0.000% 07/09/2020	2,000,000	1,999,943	1.82
UK Treasury 0.000% 02/11/2020	283,000	282,955	0.26
		26,198,196	23.80
		26,198,196	23.80

Vanguard Sterling Short-Term Money Market Fund

	Market Value (£)	% of Net Asset Value	
Supranational Bonds 3.19%			
European Investment Bank FRN 0.470% 21/05/2021	3,000,000	3,004,628	2.73
International Bank for Reconstruction & Development 1.375% 15/12/2020	500,000	502,040	0.46
		3,506,668	3.19
		3,506,668	3.19
Time Deposits 24.53%¹			
United Kingdom 24.53%			
Dz Bank Genossenschaftsba 0.400% 03/08/2020	11,000,000	11,000,000	9.99
Cooperatieve Rabobank U.A. 0.010% 03/08/2020	8,000,000	8,000,000	7.27
Credit Agricole CIB 0.020% 03/08/2020	8,000,000	8,000,000	7.27
		27,000,000	24.53
		27,000,000	24.53
Portfolio of Investments	102,338,969		92.97
Net Other Assets	7,741,534		7.03
Net Assets Attributable to Shareholders	110,080,503		100.00

All holdings are listed on an official stock exchange or are traded on an eligible securities market, unless otherwise stated.

¹ Short-term cash held with a financial institution (not traded on an exchange).

Balance Sheet

	Note ¹	As at 31 July 2020 (£)
Assets:		
Investment Assets		102,338,969
Current Assets		
Debtors	12	154,738
Cash and Bank Balances	13	7,636,745
Total Assets		110,130,452
Liabilities:		
Creditors		
Distribution Payable		909
Other Creditors	14	49,040
Total Liabilities		49,949
Net Assets Attributable to Shareholders		110,080,503

¹ See the Notes to the Financial Statements.

Vanguard Sterling Short-Term Money Market Fund was launched on 17 July 2019; therefore, there are no prior-year comparisons.

Statement of Total Return

	Note ²	Period Ended ¹	
		31 July 2020 (£)	31 July 2020 (£)
Income			
Net Capital Gains/(Losses)	6		15,721
Revenue	8	402,691	
Expenses	9	(70,787)	
Net Revenue Before Taxation		331,904	
Taxation	10	—	
Net Revenue After Taxation			331,904
Total Return Before Distributions			347,625
Distributions ³	11		(380,656)
Change in Net Assets Attributable to Shareholders From Investment Activities			(33,031)

¹ For the period 17 July 2019 (inception) to 31 July 2020.

² See the Notes to the Financial Statements.

³ Includes adjustments for equalisation.

Vanguard Sterling Short-Term Money Market Fund was launched on 17 July 2019; therefore, there are no prior-year comparisons.

Statement of Change in Net Assets Attributable to Shareholders

	Period Ended ¹	
	31 July 2020 (£)	31 July 2020 (£)
Opening Net Assets Attributable to Shareholders		
Amounts Received on Issue of Shares	144,550,300	
Amounts Paid on Cancellation of Shares	(34,777,424)	
		109,772,876
Change in Net Assets Attributable to Shareholders From Investment Activities		(33,031)
Retained Distribution on Accumulation Shares		340,658
Closing Net Assets Attributable to Shareholders		110,080,503

¹ For the period 17 July 2019 (inception) to 31 July 2020.

Vanguard Sterling Short-Term Money Market Fund was launched on 17 July 2019; therefore, there are no prior-year comparisons.

Distribution Tables

For the period 17 July 2019 (inception) to 31 July 2020

Final distribution payable 31 August 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Payable 31 August 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0035	—	0.0035
Group 2	0.0015	0.0020	0.0035
Institutional Plus GBP Accumulation Shares			
Group 1	0.0069	—	0.0069
Group 2	0.0016	0.0053	0.0069

Group 1—Shares purchased before 1 July 2020.

Group 2—Shares purchased between 1 July 2020 and 31 July 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 31 July 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 31 July 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0114	—	0.0114
Group 2	0.0071	0.0043	0.0114
Institutional Plus GBP Accumulation Shares			
Group 1	0.0146	—	0.0146
Group 2	0.0035	0.0111	0.0146

Group 1—Shares purchased before 1 June 2020.

Group 2—Shares purchased between 1 June 2020 and 30 June 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 30 June 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 30 June 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0169	—	0.0169
Group 2	0.0070	0.0099	0.0169
Institutional Plus GBP Accumulation Shares			
Group 1	0.0191	—	0.0191
Group 2	0.0107	0.0084	0.0191

Group 1—Shares purchased before 1 May 2020.

Group 2—Shares purchased between 1 May 2020 and 31 May 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 29 May 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 29 May 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0320	—	0.0320
Group 2	0.0148	0.0172	0.0320
Institutional Plus GBP Accumulation Shares			
Group 1	0.0321	—	0.0321
Group 2	0.0155	0.0166	0.0321

Group 1—Shares purchased before 1 April 2020.

Group 2—Shares purchased between 1 April 2020 and 30 April 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 30 April 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 30 April 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0486	—	0.0486
Group 2	0.0163	0.0323	0.0486
Institutional Plus GBP Accumulation Shares			
Group 1	0.0487	—	0.0487
Group 2	0.0106	0.0381	0.0487

Group 1—Shares purchased before 1 March 2020.

Group 2—Shares purchased between 1 March 2020 and 31 March 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 31 March 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 31 March 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0581	—	0.0581
Group 2	0.0212	0.0369	0.0581
Institutional Plus GBP Accumulation Shares			
Group 1	0.0584	—	0.0584
Group 2	0.0207	0.0377	0.0584

Group 1—Shares purchased before 1 February 2020.

Group 2—Shares purchased between 1 February 2020 and 29 February 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 28 February 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 28 February 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0643	—	0.0643
Group 2	0.0320	0.0323	0.0643
Institutional Plus GBP Accumulation Shares			
Group 1	0.0645	—	0.0645
Group 2	0.0057	0.0588	0.0645

Group 1—Shares purchased before 1 January 2020.

Group 2—Shares purchased between 1 January 2020 and 31 January 2020.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 31 January 2020

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 31 January 2020 Pence Per Share
A GBP Income Shares			
Group 1	0.0643	—	0.0643
Group 2	0.0309	0.0334	0.0643
Institutional Plus GBP Accumulation Shares			
Group 1	0.0645	—	0.0645
Group 2	0.0540	0.0105	0.0645

Group 1—Shares purchased before 1 December 2019.

Group 2—Shares purchased between 1 December 2019 and 31 December 2019.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 31 December 2019

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 31 December 2019 Pence Per Share
A GBP Income Shares			
Group 1	0.0765	—	0.0765
Group 2	0.0114	0.0651	0.0765
Institutional Plus GBP Accumulation Shares			
Group 1	0.0767	—	0.0767
Group 2	0.0268	0.0499	0.0767

Group 1—Shares purchased before 1 November 2019.

Group 2—Shares purchased between 1 November 2019 and 30 November 2019.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 29 November 2019

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 29 November 2019 Pence Per Share
A GBP Income Shares			
Group 1	0.0579	—	0.0579
Group 2	0.0264	0.0315	0.0579
Institutional Plus GBP Accumulation Shares			
Group 1	0.0580	—	0.0580
Group 2	0.0242	0.0338	0.0580

Group 1—Shares purchased before 1 October 2019.

Group 2—Shares purchased between 1 October 2019 and 31 October 2019.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 31 October 2019

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 31 October 2019 Pence Per Share
A GBP Income Shares			
Group 1	0.0603	—	0.0603
Group 2	0.0368	0.0235	0.0603
Institutional Plus GBP Accumulation Shares			
Group 1	0.0601	—	0.0601
Group 2	0.0200	0.0401	0.0601

Group 1—Shares purchased before 1 September 2019.

Group 2—Shares purchased between 1 September 2019 and 30 September 2019.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 30 September 2019

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 30 September 2019 Pence Per Share
A GBP Income Shares			
Group 1	0.0545	—	0.0545
Group 2	0.0282	0.0263	0.0545
Institutional Plus GBP Accumulation Shares			
Group 1	0.0545	—	0.0545
Group 2	0.0287	0.0258	0.0545

Group 1—Shares purchased before 1 August 2019.

Group 2—Shares purchased between 1 August 2019 and 31 August 2019.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Interim distribution paid 30 August 2019

	Net Income Pence Per Share	Equalisation Pence Per Share	Distribution Paid 30 August 2019 Pence Per Share
A GBP Income Shares			
Group 1	0.0222	—	0.0222
Group 2	0.0133	0.0089	0.0222
Institutional Plus GBP Accumulation Shares			
Group 1	0.0224	—	0.0224
Group 2	0.0224	—	0.0224

Group 1—There are no Group 1 investors as the Fund launched on 17 July 2019.

Group 2—Shares purchased between 17 July 2019 and 31 July 2019.

Note: Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of income included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Notes to the Financial Statements

For the period 17 July 2019 (inception) to 31 July 2020

1. General Information

Vanguard Investments Money Market Funds is an open-ended investment company and was incorporated on 17 July 2019 and under the laws of England and Wales. The address of the Authorised Corporate Director (the "ACD") is the Walbrook Building, 25 Walbrook, London EC4N 8AF, United Kingdom.

2. Basis of Presentation

The Financial Statements have been prepared on a going-concern basis in accordance with Financial Reporting Standard ("FRS") 102 and the Statement of Recommended Practice for UK Authorised Funds (the "SORP 2014") issued by the Investment Management Association (now known as the Investment Association) in May 2014.

The Financial Statements have been prepared for an extended period 17 July 2019 (inception) to 31 July 2020; no comparative period is presented.

3. Significant Accounting Policies

(a) Critical Accounting Estimates and Judgements. The preparation of these Financial Statements requires the use of certain accounting estimates and requires the ACD to exercise judgement when applying the Fund's accounting policies. The estimates and associated judgements are based on historical experience and various other facts that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the classification of financial assets and liabilities, the carrying values of certain financial assets and liabilities, as well as their fair values in instances where information is not readily apparent from other sources.

(b) Revenue Recognition. In the case of debt securities, any difference between acquisition cost and maturity value is recognised as revenue over the life of the security using the effective yield basis of calculating amortisation. Revenue from debt securities is accounted for on a basis which takes account of the amortisation of any discount or premium between the purchase price and the expected final maturity price over the remaining life of the security.

Bank and deposit interest is recognised on an accrual basis.

(c) Treatment of Expenses. All expenses, except those relating to the purchase and sale of investments, are charged against revenue and are recognised on an accrual basis.

(d) Taxation. Corporate tax is payable at current tax rates on the excess taxable revenue over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the reporting date. Deferred tax is measured at the rates expected to apply for the period in which the timing differences will reverse. Deferred taxes are not discounted to reflect the time value of money and are only recognised to the extent they are expected to crystallise.

(e) Financial Assets and Liabilities.

Classification and Measurement. Financial assets and financial liabilities are classified and measured at fair value from inception. Obligations for net assets attributable to holders of redeemable units are presented at the redemption amount, which approximates their fair value. All other financial assets and liabilities are measured at amortised cost, which approximates fair value.

Recognition and Derecognition. Purchases and sales of financial instruments are recognised on the trade date, being the date on which the purchase or sale is executed. Financial instruments are initially recognised when the Fund becomes party to the contractual provisions of the instrument. Financial instruments are derecognised when the contractual rights to the cash flows from the instruments expire, or when substantially all the risks and rewards of ownership have been transferred.

Fixed Income. Fixed income securities traded in recognised markets are valued using the latest bid prices on the securities exchange in which they are principally traded or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

(f) Fair Value. The Fund classifies financial instruments measured at fair value using a three-level hierarchy. Instruments are categorised in their entirety based on the lowest level input that is significant to the fair value measurement. Assessing the significance and observability of a particular input requires significant judgement specific to an asset or liability. Inputs are considered to be observable when they are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Each security or investment held in a Fund is valued at the close of business on each Business Day on the market that in the opinion of the Administrator is the principal market on which such security or investment is traded.

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including the Fund's own fair value assumptions).

(g) Transaction Costs. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment. These costs include fees and commissions paid to agents, advisers, brokers and dealers. Investments in financial instruments include transaction costs which form part of the net capital gains/losses.

(h) Foreign Currency. All transactions in foreign currencies are translated into sterling at the exchange rates prevailing on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates. Gains and losses arising on translation are included as part of the return and are reported on a net basis.

(i) Cash and Bank Overdrafts. Cash is composed of demand deposits with financial institutions or bank overdrafts. Bank overdrafts, when applicable, are presented as current liabilities.

(j) Swing Pricing. The Fund employs a swing pricing policy as a means to prevent dilution. Swing pricing results from the ACD's determination to adjust the Fund's net asset value, on any dealing day, following a consideration of dealing activity (i.e. level of subscriptions and redemptions) and the level of costs associated with such activity. A dilution adjustment is exercised only for the purpose of reducing the negative effects of transaction charges in the interest of the non-dealing shareholders in the Fund and is applied consistently in respect of the Fund, and in respect of all assets of the Fund. The direction of the swing depends on whether there are net subscriptions or net redemptions in the Fund on the relevant dealing day, while the magnitude of the swing is based on pre-determined estimates of the average execution costs in the relevant asset classes in which the Fund is invested.

The Fund did not apply any dilution adjustments during the period.

4. Distribution Policy

(a) Basis of Distribution. Where revenue from investments exceeds expenses of the share class, a distribution will be made to that share class. Should expenses exceed revenue, there will be no distribution and the shortfall will be transferred to capital. Revenue attributable to Accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue. All remaining revenue is distributed in accordance with the Collective Investment Schemes sourcebook. Additionally, some or all of the expenses are charged to capital for distribution purposes. The amount charged may vary between accounting periods, and effective 11 May 2020 the Management Charge was no longer deducted from capital.

(b) Equalisation. Equalisation occurs to reflect the pro rata payment of distributions based on the time period over which shares have been owned by an investor. If shares are purchased when the Fund has accrued income but has not yet declared a distribution, the Fund will credit to the equalisation account the portion of the purchase price representing income accrued but directly attributable to those shares. Conversely, if shares are redeemed when the Fund has accrued income but has not yet declared a distribution, the Fund will deduct from the equalisation account the portion of the redemption price representing income accrued but directly attributable to those shares.

5. Risk Management Policies

(a) Price Risk. Price risk is the risk that the value of financial instruments held by the Fund will fluctuate because of changes in the market. The ACD considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors while continuing to follow the investment objectives of the Fund.

The Fund seeks to achieve this objective by investing in short-term money market instruments including but not limited to bank certificates of deposit, commercial papers, corporate and sovereign variable and fixed rate bonds, UK government bills, short-term agreements to purchase/sell securities with an obligation to sell/repurchase the securities back at a later date (referred to as "repurchase and reverse repurchase agreements") and cash deposits. Money market instruments are investments usually issued by banks or governments that are a short-term loan to the issuer by the buyer. The buyer receives interest and the return of the original amount at the end of a certain period. A deposit is a fixed term investment that gathers interest over the period of its term. These types of investments may be issued by both UK and non-UK issuers. Non-sterling investments will be limited to 10% of the Fund's portfolio and, as a way to reduce risk, currency derivative contracts will be used to convert these instruments back to sterling at the point of purchase.

All investments present a risk of loss of capital. The ACD assesses the Fund's market risk volatility to ensure that the effect of using financial derivative instruments is not significant enough to cause disproportionate losses to the Fund's overall value. The ACD moderates this risk through careful selection of securities and financial instruments. The ACD manages this risk through a combination of risk metrics.

(b) Currency Risk. Currency risk is the risk that the value of the Fund's investments will fluctuate as a result of changes in currency exchange rates. Local interest rates and monetary policy, as well as other government fiscal and labour policies, also can adversely impact the Fund's currency values.

(c) Interest Rate Risk. The Fund may invest in fixed and floating rate securities. The revenue of the Fund may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed rate securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will also be affected by fluctuations in interest rates.

Vanguard Sterling Short-Term Money Market Fund

The interest rate risk profile of financial assets and liabilities as at 31 July 2020 was as follows:

Currency	Floating Rate Financial Assets ¹ 31 July 2020 (£)	Fixed Rate Financial Assets 31 July 2020 (£)	Financial Assets Not Carrying Interest 31 July 2020 (£)	Total (£)
Sterling	12,640,970	97,334,744	154,738	110,130,452
Total	12,640,970	97,334,744	154,738	110,130,452

¹ Includes cash at bank or bank overdrafts, as applicable.

Currency	Floating Rate Financial Liabilities ¹ 31 July 2020 (£)	Financial Liabilities Not Carrying Interest 31 July 2020 (£)	Total (£)
Sterling	—	49,949	49,949
Total	—	49,949	49,949

¹ Includes cash at bank or bank overdrafts, as applicable.

Management of Market Risk (Including Market Price, Foreign Currency and Interest Rate Risks). The Investment Adviser performs daily reviews of portfolio attributes, such as sector diversification, maturity and credit quality, and makes adjustments where necessary to ensure that the risk components closely match those of the benchmark. In addition, the Investment Adviser and the Administrator measure performance against the benchmark. Potential differences are raised and discussed by the Investment Adviser and the Administrator for investigation and resolution, as needed. Market impact, currency discrepancies and interest rate exposure are investigated as possible causes. Currency positions are reconciled daily, and discrepancies are immediately resolved. Procedures are established with the Investment Adviser to trade currency as closely as possible to the close of the markets, so as to obtain exchange rates that closely approximate the rates used in the valuation.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the Fund and thus performance of the Fund.

Market Risk Sensitivity Analysis. Market risk exposure to the Fund is measured using value-at-risk (VaR), which estimates the maximum expected loss over a defined period given a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account estimates for market volatilities and correlations between assets in the portfolio. Risks can be measured consistently across markets and products, and risk measures can be aggregated to arrive at a single risk number.

For the purpose of this annual report, a one-year historical (ex-post) absolute VaR calculation has been completed for the Fund as set out below. The calculation includes a 95% confidence interval with a 260-trading-day (one-year) VaR period. That is, under normal market conditions and assuming no changes to Fund holdings, there is a 95% probability that the value of Fund assets will not decrease by more than the calculated value over a one-year period.

	31 July 2020 (%)
Vanguard Sterling Short-Term Money Market Fund	0.16

Exposure. Global exposure is measured using the commitment approach, which considers the full constituents of the portfolio. The Investment Adviser will observe the regulatory limit and any internal risk limits which may be appropriate for the portfolio.

The use of derivatives creates a higher degree of risk exposure. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivative positions can therefore increase volatility. The leverage is calculated on a gross exposure basis, by taking the sum of the notional values of the derivatives, without netting, and is expressed as a percentage of the net asset value.

(d) Liquidity Risk. Liquidity risk is the risk that the Fund cannot raise sufficient cash to meet liabilities when due. One of the key liquidity factors influencing the Fund is exposure to cash redemptions of redeemable shares. Hence the Fund invests the large majority of its assets in investments that are traded in active markets and can ordinarily be readily disposed. However, liquidity risk will occur if an issuer becomes credit-impaired or if the relevant market becomes illiquid. In such a case, it may not be possible to initiate or liquidate a position at a price deemed by the ACD to be demonstrating fair value. Liquidity risk may be temporary or may last for extended periods. The Fund invests in money market instruments usually issued by banks or governments that are a short-term loan to the issuer by the buyer. Money market instruments are subject to both actual and perceived measures of creditworthiness. The “downgrading” of a rated money market instrument or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity.

Management of Liquidity Risk. In order to meet redemption requests and raise cash from the portfolio, the Investment Adviser receives daily reports of capital share activity from the Administrator. The Investment Adviser incorporates cash forecasts into the daily management of the portfolio and monitors cash balances daily.

(e) **Credit Risk.** The Fund invests in fixed income instruments that may be exposed to credit risk, which is the possibility that the issuer of a security will be unable or unwilling to repay interest and principal when contractually due. When efficient portfolio management techniques are employed, exchange-traded index futures, which are subject to daily valuation, are used to minimise counterparty risk.

Management of Credit Risk. The Investment Adviser performs daily reviews of portfolio attributes, such as sector diversification and credit quality, and makes adjustments where necessary to ensure that credit risk components of the Fund closely match those of the respective benchmarks. Credit ratings of debt instruments and counterparties are monitored and evaluated periodically by the Investment Adviser; an approved counterparty list is maintained, and trading with approved counterparties is enforced.

6. Net Capital Gains/(Losses)

Net capital gains/(losses) for the 2019–20 period:

	31 July 2020 (£)
Non-Derivative Securities	1,050
ACD Capital Expense Reimbursement ¹	14,671
Net Gains/(Losses) on Investments	15,721

¹ See Related Party Transactions.

7. Purchases, Sales and Transaction Costs

Purchases, sales and transaction costs for the 2019–20 period:

	31 July 2020 (£)
Purchases Excluding Transaction Costs:	
Debt Securities	5,405,929,285
Purchases in the Period Before Transaction Costs	5,405,929,285
Commissions	
Debt Securities	—
Total Commissions	—
Taxes	
Debt Securities	—
Total Taxes	—
Total Purchase Transaction Costs	—
Purchases Including Transaction Costs	5,405,929,285
Sales Excluding Transaction Costs:	
Debt Securities	5,303,678,000
Sales in the Period Before Transaction Costs	5,303,678,000
Commissions	
Debt Securities	—
Total Commissions	—
Taxes	
Debt Securities	—
Total Taxes	—
Total Sales Transaction Costs	—
Sales Including Transaction Costs	5,303,678,000

Transaction costs are incurred when buying and selling financial instruments. These costs can be direct, as in the case of brokerage or dealer commissions or taxes due on equity securities and futures contracts. However, transaction costs can also be indirect, as in the case of debt securities, currency forwards or collective investment schemes where these costs are not separately identifiable but rather form part of the dealing spread. Indirect transaction costs do not form part of the transaction cost disclosure above. Additionally, all derivative instruments have been excluded from the above analysis as the initial net cash outlay to enter into a position is not comparable to the instruments' settlement or notional value and therefore not comparable to the debt, equity and collective investment schemes as presented.

8. Revenue

Revenue for the 2019–20 period:

	31 July 2020 (£)
Amortisation Adjustment	85,627
Bank Interest	9,684
Interest on Debt Securities	212,823
Interest on Deposits	94,557
Total Revenue	402,691

9. Expenses

Expenses for the 2019–20 period:

	31 July 2020 (£)
Expenses to the ACD or Associates of the ACD, and Agents of Either of Them:	
Management Charge	70,787
Total Expenses	70,787

10. Taxation**(a) Tax Charge Analysis**

Analysis of the tax charge for the 2019–20 period:

	31 July 2020 (£)
Current Tax Charge (Note 10b)	—
Total Tax Charge	—

(b) Tax Charge Factors

Factors affecting the tax charge for the 2019–20 period:

	31 July 2020 (£)
Net Revenue Before Taxation	331,904
Return on Ordinary Activities Before Taxation	331,904
Return on Ordinary Activities Before Taxation at the Applicable Rate of Corporation Tax in the UK of 20%	66,381
Effects of:	
Tax-Deductible Interest Distributions	(66,381)
Current Tax Charge (Note 10a)	—

11. Distributions

The distributions take account of equalisation received on the creation of shares and deducted on cancellation of shares, and comprise:

Distributions for the 2019–20 period:

	31 July 2020 (£)
Interim	388,841
Final	6,683
	395,524
Add: Equalisation Deducted on Cancellation of Shares	7,110
Deduct: Equalisation Received on Creation of Shares	(21,978)
Distributions	380,656

Represented By:

	31 July 2020 (£)
Net Revenue After Taxation	331,904
ACD Charges Taken to Capital	48,823
Movement in Distribution Account	(71)
Distributions	380,656

12. Debtors

Debtors for the 2019–20 period:

	31 July 2020 (£)
Amounts Receivable for Creation of Shares	1,044
Accrued Bond Interest	119,497
Accrued Deposit Interest	34,197
Total Debtors	154,738

13. Cash and Bank Balances

Cash and bank balances for the 2019–20 period:

	31 July 2020 (£)
Cash and Bank Balances	7,636,745
Total Cash and Bank Balances	7,636,745

14. Other Creditors

Other creditors for the 2019–20 period:

	31 July 2020 (£)
Amounts Payable for Cancellation of Shares	40,726
Accrued Management Charge	8,314
Total Other Creditors	49,040

15. Capital Commitments and Contingent Liabilities

The Fund had no capital commitments or contingent liabilities at the period-end.

16. Efficient Portfolio Management

The Company may employ investment techniques and use financial derivative instruments (FDIs) (such as futures contracts, forward foreign currency contracts, options and swaps) for efficient portfolio management of the assets of the Fund, including hedging against market movements, currency exchange or interest rate risks. Any investment technique or use of FDIs must be one which is reasonably believed by the Investment Adviser to be economically appropriate in that it is realised in a cost-effective way.

17. Related Party Transactions

Authorised Corporate Director. Vanguard Investments UK, Limited, is the Authorised Corporate Director (ACD) and acts as a principal in respect of all transactions of shares in the Fund. For its services, the ACD receives a fixed single fee per share class (the "Management Charge") calculated on a daily basis and paid monthly. Out of the fees received, the ACD pays for any sub-advisers, as well as the costs of administration including audit, depositary, legal, registration and regulatory fees associated with the Fund. As a result, the ACD anticipates the ongoing charges figure ("OCF") of each share class will closely track the Management Charge. The ACD, in its sole discretion, may voluntarily waive all or part of its fee, and any such waiver could be discontinued at any time and without notice. Any amounts due from or to the ACD at the end of the accounting period are disclosed in Notes 12 and 14. Amounts paid to the ACD in respect to fees for the period are disclosed in Note 9.

In connection with the aforementioned change effective 11 May 2020 related to the Management Charge, the ACD voluntarily reimbursed certain capital expenses to the Income class totaling £14,671 during the period.

The Annual Management Charges of certain share classes were reduced during the period. The table below presents the amounts in effect during the period and as at 31 July 2020:

	17 July 2019– 22 October 2019 (%)	23 October 2019– 31 July 2020 (%)
A GBP Income Shares	0.15	0.12
Institutional Plus GBP Accumulation Shares	0.10	0.08

All shares within the ICVC have the same rights on winding up.

Directors' Fees. Aggregate director fees paid by the ACD out of the Management Charge it earned for the period ended 31 July 2020 were £163,247, of which no amounts were outstanding at the period-end.

Audit Fees. Audit fees paid on behalf of each fund by the ACD were £9,200, excluding VAT.

Inter-Fund Trading. The Company undertook inter-fund trading with other Funds in the Vanguard Group, Inc., during the accounting period amounting to £1,104,034 in purchases.

Investment Adviser. Vanguard Global Advisers, LLC, is the Investment Adviser to the Fund and is compensated by the ACD. The Investment Adviser or the ACD, at their discretion, may appoint other companies from within The Vanguard Group of Companies to provide investment management and advisory services with respect to the Fund.

The following amounts were held by affiliates of Vanguard Investments UK, Limited, expressed as a percentage of total net assets:

	31 July 2020 (%)
Vanguard Sterling Short-Term Money Market Fund	0.00

As at 31 July 2020, there were no amounts due from or to affiliates of Vanguard Investments UK, Limited, related to share transactions.

18. Share Reconciliation

Reconciliation of the share movements in the period:

	31 July 2020
A GBP Income Shares	
Opening Shares in Issue	—
Creations During the Period	36,855,137
Cancellations During the Period	(10,878,273)
Closing Shares in Issue	25,976,864
	31 July 2020
Institutional Plus GBP Accumulation Shares	
Opening Shares in Issue	—
Creations During the Period	107,512,028
Cancellations During the Period	(23,835,957)
Closing Shares in Issue	83,676,071

19. Fair Value

As at 31 July 2020:

	31 July 2020 (£)
Assets: Basis of Valuation	
Level 1: Quoted Prices	—
Level 2: Observable Market Data	102,338,969
Level 3: Unobservable Data	—
Total	102,338,969

20. Credit Facility Disclosure

Effective with the 13 March 2020 annual renewal, the Fund joined a USD \$4.3 billion committed credit facility with certain other funds managed by the ACD or its affiliates. Each participating Fund is individually liable for its borrowings under the credit facility. Borrowings may be utilised for temporary or emergency purposes and are subject to the participating Fund's regulatory and contractual borrowing restrictions. Participating Funds are allocated an annual commitment fee of 0.10% of the undrawn facility amount as well as certain administrative fees. Any fees allocated to the Fund are paid by the ACD. Interest and direct borrowing costs associated with draws on the credit facility are charged to the Fund and recorded in the Statement of Total Return.

Any borrowings under this facility denominated in euros bear interest at the Euro Interbank Offered Rate plus an applicable margin, while borrowings under this facility in denominations other than euros bear interest at a rate equal to the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The Fund did not have any borrowings outstanding at 31 July 2020 or at any time during the period then ended.

21. Events After the Balance Sheet Date

Starting in August 2020, the ACD agreed to temporarily waive a portion of the Management Charge to all share classes in order to maintain a zero or positive yield.

Further Information

Reports and Financial Statements

Each year, annual and interim reports will be prepared. They will describe investment activity during the period and provide management commentary.

Recipients of this document should not treat the contents as advice relating to legal, taxation or investment matters and should consult their own professional advisers concerning the acquisition, holding or disposing of investments in the Fund.

Past performance is not necessarily indicative of future performance, and the value of the shares and income from them may fall as well as rise. On redemption of shares, investors may receive back an amount less than the original amount of their investment. The assets of the Fund will be in a variety of currencies, and therefore movements in the value of currencies may affect the value of an investor's holdings and the income from the holdings may fluctuate in value in money terms.

Prospectus

The Fund Prospectus, an important document describing the Fund in detail, is available from the ACD, which is responsible for the management and administration of the Fund.

The ACD for Vanguard Investments Money Market Funds is Vanguard Investments UK, Limited, located at 4th Floor, The Walbrook Building, 25 Walbrook, London EC4N 8AF.

Types of Shares Available

The Fund offers two classes of shares, A GBP Income Shares and Institutional Plus GBP Accumulation Shares.

Switching

Investors may sell their shares and transfer the proceeds into any of the other Funds by calling our dealing desk on 0800 408 2065.

Distributions

The Fund will allocate revenue to shareholders monthly, on 31 August, 30 September, 31 October, 30 November, 31 December, 31 January, 28 February, 31 March, 30 April, 31 May, 30 June and 31 July. If the ex-dividend date does not fall on a business day, the effective date will be the first business day following the monthly accounting period-end.

Publication of Prices

The most recent share prices are published daily on <https://global.vanguard.com>.

Remuneration Disclosure

The Vanguard UK Consolidation Group publishes annually its Pillar 3 disclosures, including certain information on remuneration. The latest Pillar 3 disclosures can be found at <https://global.vanguard.com/documents/pillar3-disclosures.pdf>.

Vanguard personnel providing services to the ACD are subject to the Vanguard European Remuneration Policy (the "Remuneration Policy"). The Remuneration Policy includes the remuneration requirements of the UCITS V Directive (2014/91/EU). Details of the Remuneration Policy are available through <https://www.vanguard.co.uk/uk/portal/investment-information.jsp>, which will be updated periodically to reflect changes to the policy.

The governance of remuneration within Vanguard Europe is undertaken through a tiered structure, including Vanguard's Global Remuneration Committee and the European Leadership Team. The Global Remuneration Committee also operates at The Vanguard Group level and oversees the overall compensation programmes of The Vanguard Group. The European Leadership Team is responsible for implementing the remuneration programmes in accordance with Vanguard's total rewards philosophy and global organisation, including overseeing the Remuneration Policy.

The Remuneration Policy provides for an appropriate balance of fixed salary; benefits, such as pension; and annual bonus and long-term incentive arrangements. Incentives are based on the overall business performance of The Vanguard Group, or individual, team, business unit and fund performance. The incentive plans are reviewed and approved by the European Leadership Team (and other applicable groups) in order to ensure that plans appropriately assess financial and non-financial performance and do not encourage conflicts of interest, and to ensure that risk or compliance issues are appropriately reflected.

The European Leadership Team also reviews and approves the list of UCITS code staff annually. Identified code staff are notified and understand the code staff responsibilities.

Under the UCITS V Directive, the ACD is required to disclose information relating to the remuneration paid to its staff for the financial period, split into fixed and variable remuneration. The table below presents the aggregate total remuneration paid to staff who provide services to the Fund and the aggregate total remuneration paid to all relevant UCITS code staff.

	Headcount ^{1,2}	Total Remuneration (£000) ³
Funds, of which	388	15,769
Fixed Remuneration	388	10,225
Variable Remuneration	388	5,545
Performance Fees	n/a	n/a
UCITS Code Staff, of which	14	3,035
Senior Management	8	2,464
Other Code Staff	6	570

1 This is the total number of employees who are fully or partly involved in the activities of the Fund.

2 The staff in this table may provide services to other entities within The Vanguard Group.

3 Remuneration disclosed is apportioned based on total assets under management by Vanguard Investments UK, Limited, from total European assets under management.

Remuneration reflects fixed pay (salary) and performance-related pay (annual and long-term incentives). Individual incentive outcomes under the plans are based on performance assessed by reference to an appropriate balance of quantitative and qualitative measures, such as behaviour, including compliance with all applicable policies. The individual incentive outcome is fully discretionary and, if appropriate, outcomes based on financial performance can be overridden based on the qualitative measures.

Assessment of Value

Under rules laid out in COLL 6.6.20R of the Financial Conduct Authority's Handbook, the ACD is required to inform investors annually whether its funds are providing value to investors and then publish an annual statement summarising the outcome of this process. Details of the statement are available at <https://www.vanguard.co.uk/adviser/adv/about-vanguard/assessment-of-value>.

Issued by Vanguard Investments UK, Limited
 4th Floor, The Walbrook Building,
 25 Walbrook, London, EC4N 8AF

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Directory

Company's Head Office And Registered Office

4th Floor, The Walbrook Building
25 Walbrook
London
EC4N 8AF
United Kingdom

Authorised Corporate Director

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25 Walbrook
London
EC4N 8AF
United Kingdom

Directors of the ACD

James M. Norris
Sean P. Hagerty
Katie Smith
Michael Gower
Kathleen Bock
Daniel Waters
John Bendl¹
Maureen Erasmus²

Administrator and Registrar³

SS&C Financial Services International Limited and
SS&C Financial Services Europe Limited
SS&C House
St. Nicholas Lane
Basildon
Essex SS15 5FS
United Kingdom

Investment Adviser

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Valley Forge, PA 19482
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The Depositary

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Quartermile 3
10 Nightingale Way
Edinburgh
EH3 9EG
United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
Level 4
144 Morrison Street
Edinburgh
EH3 8EX
United Kingdom

¹ John Bendl was appointed director of Vanguard Investments UK, Limited, the manager of the Funds, with effect from 20 January 2020.

² Maureen Erasmus was appointed director of Vanguard Investments UK, Limited, the manager of the Funds, with effect from 3 February 2020.

³ With effect from 31 March 2020, SS&C Financial Services Europe Limited is the trading name of DST Financial Services Europe Ltd following the SS&C's acquisition of DST in 2018.



Vanguard Investments UK, Limited
4th Floor, The Walbrook Building
25 Walbrook
London
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This report is intended for the Funds's shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current Fund Prospectus.

All comparative mutual fund data are from Lipper, a Thomson Reuters Company, or Morningstar, Inc., unless otherwise noted.

Vanguard Investments UK, Limited, only gives information on products and services and does not give investment advice based on individual circumstances. The Key Investor Information Document ("KIID") and the Prospectus for this Fund is available in local languages from Vanguard Investments UK, Limited, via our website vanguard.co.uk.

Issued by Vanguard Investments UK, Limited, which is authorised and regulated in the UK by the Financial Conduct Authority.