

# Vanguard Global Short-Term Bond Index Fund

USD Hedged Acc

Inception date: 31 January 2014

Total assets (million) \$2,393 | Share class assets (million) \$171 as at 30 June 2020

Minimum initial investment	ISIN	SEDOL	Bloomberg	Investment structure	Index ticker	Domicile	Settlement	Trading frequency (cut-off)
1,000,000	IE00BH65QN23	BH65QN2	VGSTBUH	UCITS	H34612US	Ireland	T+2	Daily (12:00 Irish Time)

Ongoing Charges Figure† 0.15 %

†The Ongoing Charges Figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds.

## Objectives and investment policy

- The Fund employs a passive management – or indexing – investment approach and seeks to track the performance of the Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year Float Adjusted and Scaled Index (the “Index”).
- The Index includes global government, government-related agencies, corporate and securitised bonds, with a maturity between 1 and 5 years. Bloomberg Barclays applies a filter to the Index to exclude US Mortgage Backed Securities from the universe of fixed income securities.
- The Fund attempts to: 1. Track the performance of the Index by investing in a portfolio of securities that, insofar as possible and practicable, consists of a representative sample of the component securities of the Index. 2. Remain fully invested except in extraordinary market, political or similar conditions.

## Investment manager

Vanguard Global Advisers, LLC  
Global Fixed Income Team

## Key investment risks

**Credit risk.** The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.

**Liquidity risk.** Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.

**Counterparty risk.** The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

**Index tracking risk.** The Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.

**Index sampling risk.** As the Fund uses an index sampling technique whereby a representative sample of securities are selected to represent the Index, there is the risk that the securities selected for the Fund may not, in the aggregate, approximate the full Index.

**Inflation risk.** The value of your investments may not be worth as much in the future due to changes in purchasing power resulting from inflation.

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## Performance summary\*

USD—Vanguard Global Short-Term Bond Index Fund

Benchmark — Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year Float Adjusted and Scaled Index in USD



	01 Jan 2015 31 Dec 2015	01 Jan 2016 31 Dec 2016	01 Jan 2017 31 Dec 2017	01 Jan 2018 31 Dec 2018	01 Jan 2019 31 Dec 2019
<span style="color: #800000;">■</span> Fund (Net of expenses)	1.08%	1.90%	1.51%	1.94%	4.40%
<span style="color: #A9A9A9;">■</span> Benchmark	1.07%	1.98%	1.71%	2.11%	4.64%

Performance**	1 month	Quarter	Year to date	1 year	3 years	5 years	10 years	Since inception
Fund (Net of expenses)	0.39%	1.64%	2.34%	3.65%	3.09%	2.51%	—	2.31%
Benchmark	0.42%	1.66%	2.46%	3.90%	3.31%	2.66%	—	2.44%

**\*\*The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/americas](http://vanguard.com/americas).**

In this document the performance displayed for the Fund(s) and therefore relative performance to the benchmark index may be impacted by swing pricing. The NAV of a Fund may swing according to subscription/redemption activity so that transaction costs caused by these cashflows are not borne by the existing holders in a Fund. The benchmark index is not affected by swing pricing and therefore you may see tracking difference between the performance of the Fund and the benchmark. Performance and Data is calculated on closing NAV as at 30 June 2020

Source: Vanguard; Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year Float Adjusted and Scaled Index in USD

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Data as at 30 June 2020 unless otherwise stated.

### Characteristics

	Fund	Benchmark
Number of bonds	3,783	11,763
Yield to worst	0.41%	0.44%
Average coupon	2.0%	2.2%
Average maturity	2.9 years	2.9 years
Average quality	AA-	AA-
Average duration	2.8 years	2.8 years
Cash investment*	0.5%	—
Turnover rate	33%	—

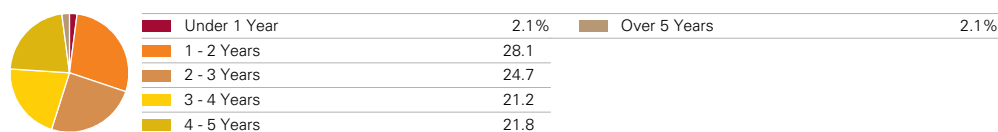
The PTR (Portfolio Turnover Rate) approach considers the total security purchases and sales, the total subscriptions and redemptions and the average net assets of the fund to calculate the turnover figure. Data as at 30 June 2020.

### Market allocation

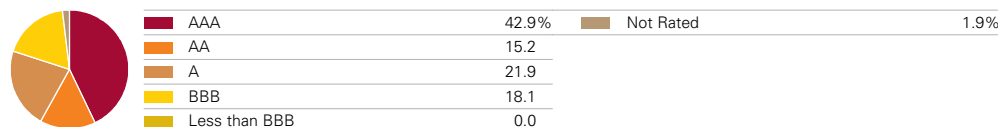
United States	38.9%	Canada	4.3%
Japan	8.7	United Kingdom	3.4
France	7.2	Supranational	3.3
Germany	7.0	Spain	2.6
Italy	4.6	China	2.0

Market allocation displayed equals 82.0%

### Distribution by credit maturity (% of fund)

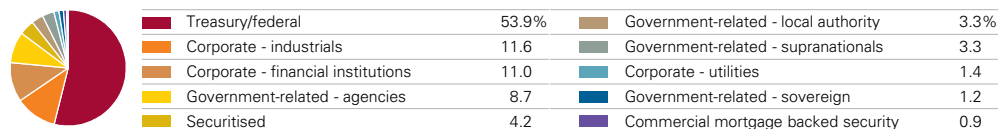


### Distribution by credit quality (% of fund)



Credit-quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

### Distribution by issuer (% of fund)



\*The allocations are subject to circumstances such as timing differences between trade and settlement dates of underlying securities, that may result in negative weightings. The fund may also employ certain derivative instruments for cash management or risk management purposes that may also result in negative weightings. Allocations are subject to change. Cash includes physical cash on the account, cash like instruments (such as ultra-short term treasury bonds) and derivative instruments.

Source: Vanguard

### Glossary for fund characteristics

The fund characteristics section above contains a number of metrics that professional investors use to value individual stocks against a market or index average. These metrics can also be used to value and compare funds to the market by taking the average of all the stocks held in the fund and comparing them to those of the fund's benchmark index. We've provided a definition of the terms used for your convenience.

**Yield to worst** applies when the portfolio is invested into callable bonds. When it is not the case Yield to worst=Yield to maturity.

**Average coupon** is the average interest rate paid on the fixed income securities held by a fund. It is expressed as a percentage of face value.

**Average maturity** is the average length of time until fixed income securities held by a fund reach maturity and are repaid, taking into consideration the possibility that the issuer may call the bond before its maturity date. The figure reflects the proportion of fund assets represented by each security; it also reflects any futures contracts held. In general, the longer the average effective maturity, the more a fund's share price will fluctuate in response to changes in market interest rates.

**Average quality** is an indicator of credit risk. This figure is the average of the ratings assigned to a fund's fixed income holdings by credit-rating agencies. The agencies make their judgment 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.

**Average duration** is an estimate of how much the value of the bonds held by a fund will fluctuate in response to a change in interest rates. To see how the value could change, multiply the average duration by the change in rates. If interest rates rise by 1 percentage point, the value of the bonds in a fund with an average duration of five years would decline by about 5%. If rates decrease by a percentage point, the value would rise by 5%.

**Distribution yield** reflects the amounts that may be expected to be distributed over the next twelve months as a percentage of mid-market unit price as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include preliminary charge and investors may be subject to tax on distributions.

### For more information contact your local sales team or:

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All investing is subject to risk, including possible loss of principal.

Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments.

Investments in bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk.

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### Volatility

	Fund
R-Squared	0.97
Beta	1.00

R-squared and beta are calculated from trailing 36-month fund returns relative to Bloomberg Barclays Global Aggregate Ex US MBS 1-5 Year Float Adjusted and Scaled Index in USD.

**Beta:** A comparison of a fund's share-price fluctuations to those of an index. The beta of an index is 1.00. The share price of a fund with a beta of 1.20 will rise or fall 12% when the index rises or falls 10%. For this report, beta is based on returns over the past 36 months. A fund's beta should be reviewed in conjunction with its R-squared. A lower R-squared means less correlation between the fund and the index, and the less reliable beta will indicate volatility.

**R-Squared:** A measure of how much of a fund's past returns can be explained by the returns from the market in general, as measured by a given index. If a fund's total returns were precisely synchronized with an index's returns, its R-squared would be 1.00. If the fund's returns bore no

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