



Fact sheet | 31 January 2016

# Vanguard Global Short-Term Bond Index Fund

An index-related fund

## Key fund facts

	Inception date	Minimum initial investment*	ISIN	SEDOL	Bloomberg	Valoren
<b>USD</b>						
Investor Hedged	10.03.2015	100,000	IE00BH65QJ86	BH65QJ8	VGVIUSH	23632344
Institutional Hedged	31.01.2014	5,000,000	IE00BH65QN23	BH65QN2	VGSTBUH	23353319
Institutional Plus Hedged	10.03.2015	200,000,000	IE00BH65QS77	BH65QS7	VGVLUH	27018268
<b>EUR</b>						
Investor Hedged	31.03.2014	100,000	IE00BH65QK91	BH65QK9	VGSTIVS	23825686
Institutional Hedged	31.03.2014	5,000,000	IE00BH65QP47	BH65QP4	VGSTIEH	23825697
Institutional Plus Hedged	31.03.2014	200,000,000	IE00BH65QT84	BH65QT8	VGSTPEH	23826757
<b>CHF</b>						
Investor Hedged	31.03.2014	100,000	IE00BH65QL09	BH65QL0	VGSTEHI	23825694
Institutional Hedged	31.03.2014	5,000,000	IE00BH65QQ53	BH65QQ5	VGSTICH	23825699
Institutional Plus Hedged	31.03.2014	200,000,000	IE00BH65QV07	BH65QV0	VGSTPIC	23826775
<b>GBP</b>						
Income Hedged	31.01.2014	100,000	IE00BH65QH62	BH65QH6	VGSTBGI	23353301
Institutional Plus Income Hedged	02.09.2014	200,000,000	IE00BPT2BY27	BPT2BY2	VGVGPHI	25092922
Accumulation Hedged	31.01.2014	100,000	IE00BH65QG55	BH65QG5	VGSTBGA	23353286
Institutional Plus Accumulation Hedged	02.09.2014	200,000,000	IE00BPT2BZ34	BPT2BZ3	VGVGPHA	25092923

<b>Benchmark</b> Barclays Global Aggregate Ex US MBS 1-5 Year Float Adjusted Bond Index Hedged	<b>Index ticker</b> —	<b>Trading frequency (cut-off)</b> Daily (12:00 Irish Time)
<b>Domicile</b> Ireland	<b>Investment structure</b> UCITS	<b>Settlement</b> T+3
<b>Base currency</b> USD	<b>Total assets</b> USD (million) 616	
<b>Investment manager</b> The Vanguard Group, Inc. Europe Bond Index Team		

## Objective

The fund seeks to provide returns consistent with the performance of the Barclays Global Aggregate 1-5 Years ex US MBS Float Adjusted Bond Index, a market weighted index of global government, government-related agencies, corporate and securitised fixed income investments, excluding US mortgage backed securities, with a maturity between 1 and 5 years.

## Investment strategy

The fund employs a passive management or indexing strategy designed to track the performance of the index. The fund will invest by sampling the index, meaning that it will invest in a portfolio of securities that, insofar as possible and practicable, consists of a representative sample of the component securities of the index. This market-weighted index is designed to reflect the total universe of the major investment-grade and government bond markets with a maturity between 1 and 5 years.

Performance summary will not display until the fund completes a full calendar year of returns.

## Performance\*\*

USD—Vanguard Global Short-Term Bond Index Fund  
Benchmark—Barclays Global Aggregate Ex US MBS 1-5 Year Float Adjusted Bond Index Hedged

	Institutional Hedged		
	Net of expenses	Gross of expenses	Benchmark
1 month	0.63%	0.64%	0.63%
3 months	0.49	0.52	0.50
Year to date	0.63	0.64	0.63
1 year	1.10	1.25	1.10
Since inception	1.68	1.83	1.70

**Key investment risks** - The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. Where investments are made in assets that are denominated in multiple currencies changes in exchange rates may affect the value of the investments. Funds investing in fixed interest securities carry the risk of default on repayment, erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate.

## Ongoing charges†

	Ongoing Charges	Preset dilution levy on subscriptions	Preset dilution levy on redemptions
Investor Hedged	0.20 %	0.20 %	—
Income Hedged	0.15 %	0.20 %	—
Accumulation Hedged	0.15 %	0.20 %	—
Institutional Hedged	0.15 %	0.20 %	—
Institutional Plus Hedged	0.10 %	0.20 %	—
Institutional Plus Income Hedged	0.10 %	0.20 %	—
Institutional Plus Accumulation Hedged	0.10 %	0.20 %	—

\*For minimums in other currencies, please refer to our website.

\*\*Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. Basis of index performance is total return.

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

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### Characteristics

	Fund	Benchmark
Number of bonds	2,403	7,940
Effective YTM	0.92%	0.95%
Average coupon	2.2%	2.5%
Average maturity	2.9 years	2.9 years
Average quality	AA-	AA-
Average duration	2.8 years	2.8 years
Cash investment	0.0%	—

### Distribution by issuer (% of fund)

	Fund
Treasury	56.6%
Corporate - financial institutions	10.1
Government-related - agencies	9.6
Corporate - industrials	9.4
Securitized	4.5
Government-related - supranationals	3.5
Government-related - local authority	2.8
Corporate - utilities	1.3
Government-related - sovereign	1.1
Other	0.6
Commercial mortgage backed security	0.5
Total	100.0%

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

	Fund
AAA	45.8%
AA	16.4
A	22.6
BBB	16.2
Less than BBB	0.0
Not Rated	-1.0
Total	100.0%

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 credit maturity (% of fund)

	Fund
Under 5 Years	99.7%
5 - 10 Years	0.2
Over 10 Years	0.1
Total	100.0%

### Top country diversification

	Fund
United States	36.5%
Japan	12.5
Germany	7.5
France	6.2
Canada	4.2
Italy	4.0
United Kingdom	3.9
Supranational	3.6
Spain	3.1
Netherlands	2.5
Total	84.0%

### 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.

**Effective YTM (yield to maturity)** is the rate of return an investor would receive if the fixed income securities held by a fund were held to their maturity dates.

**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.

Source: The Vanguard Group, Inc.

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