



Fact sheet | 30 September 2014

# Vanguard U.K. Government Bond UCITS ETF

An exchange-traded fund

Key ETF facts						
	SEDOL	Exchange ticker	Reuters	Bloomberg	Bloomberg iNav	Valoren
London Stock Exchange GBP	B7NLJQ7	VGOV	VGOV.L	VGOV LN	IVGOVGBP	—
<b>Benchmark</b> Barclays Global Aggregate U.K. Government Float Adjusted Bond Index	<b>Index ticker</b> BGGFTRGU		<b>Inception date</b> 22 May 2012		<b>Tax status</b> UK reporting	
<b>Domicile</b> Ireland	<b>Investment structure</b> UCITS		<b>Legal entity</b> Vanguard Funds plc		<b>Dividends</b> Distributed	
<b>Base currency</b> GBP	<b>ISIN</b> IE00B42WWW65		<b>Investment method</b> Physical		<b>Dividend schedule</b> Monthly	
<b>Investment manager</b> The Vanguard Group, Inc. Europe Bond Index Team	<b>Total assets</b> GBP (million) 30		<b>Countries registered</b> Denmark, Finland, France, Germany, Luxembourg, Netherlands, Norway, Sweden, and United Kingdom			

### Investment approach

- This fund seeks to track the performance of the index, a market-weighted index of the UK government fixed income securities denominated in pound sterling.
- The fund employs a passive management or indexing investment approach designed to track the performance of the index.
- The fund will invest in a portfolio of fixed income securities (for example UK Gilts, debt guaranteed by national government and its agencies with a greater than 1 year maturity) that so far as possible and practicable consists of the component securities of the index.

### About the benchmark

- The index is a market-weighted index that measures the performance of the market in UK government fixed-income securities denominated in pound sterling.

### Performance summary

GBP—Vanguard U.K. Government Bond UCITS ETF

	Fund	Benchmark
September 2012 – 2013	-3.21%	-3.07%
September 2013 – 2014	6.01%	6.06%

### Management charge

AMC/TER*	0.12%
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### Performance

GBP—Vanguard U.K. Government Bond UCITS ETF

Benchmark—Barclays Global Aggregate U.K. Government Float Adjusted Bond Index

	Net of expenses	Gross of expenses	Benchmark
1 month	-0.69%	-0.68%	-0.73%
3 months	4.01	4.04	4.00
Year to date	7.58	7.68	7.61
1 year	6.01	6.14	6.06
Since inception	2.15	2.27	2.24

**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. The value of investments may fall or rise as a result of changes in exchange rates. ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid-offer spread which should be considered fully before investing.

\*As we (the fund manager) pay all running costs out of our Annual Management Charge (AMC), we expect our Total Expense Ratio (TER) to be the same as our AMC. ETFs are purchased and sold through a stockbroker or execution platform and not directly with the issuer. An investor will incur trading costs in addition to the issuer's stated TER. The Central Bank of Ireland has granted authorisation for the Vanguard U.K. Government Bond Index ETF to invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members. As at 31st May 2012, the Vanguard U.K. Government Bond Index ETF invests more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by the UK.

# Vanguard U.K. Government Bond UCITS ETF

## An exchange-traded fund

### Characteristics

	Fund	Benchmark
Number of bonds	45	63
Effective YTM	2.26%	2.26%
Average coupon	3.6%	3.6%
Average maturity	15.2 years	15.2 years
Average quality	AA+	AA+
Average duration	10.0 years	10.0 years
Cash investment	0.0%	—

### Distribution by issuer (% of fund)

	Fund
Treasury	97.8%
Government-related - agencies	2.2
Total	100.0%

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

	Fund
AAA	0.0%
AA	100.0
A	0.0
BBB	0.0
Less than BBB	0.0
Not Rated	0.0
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.

## Glossary for ETF attributes

The ETF attributes section on the first page 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.

**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%.

**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.

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

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