

# Vanguard U.K. Gilt UCITS ETF

EUR Hedged Accumulating - An exchange-traded fund

Inception date: 28 August 2020

Total assets (million) €219 | Share class assets (million) €3 as at 30 September 2021

Key ETF facts	Exchange ticker	SEDOL	Reuters	Bloomberg	Bloomberg iNav	Valoren
<b>Deutsche Börse</b>						
EUR	VGUE	BJJRT85	VGUE.DE	VGUE GY	IVGUEEUR	—

Base currency	Tax reporting	SRRI#	Index ticker	Investment structure	Domicile
GBP	UK Reporting	4	H21153EU	UCITS	Ireland

Legal entity	Investment method	ISIN	Dividends	Dividend schedule	Investment manager
Vanguard Funds plc	Physical	IE00BMX0B524	Accumulated	—	Vanguard Global Advisers, LLC Global Fixed Income Team

**Ongoing Charges Figure†** 0.12%

†The Ongoing Charges Figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds. When you invest with any fund manager, you pay a number of charges, starting with the Annual Management Charge (AMC) which covers the fund manager's costs of managing the fund. The AMC plus ongoing running costs and other operational expenses make up the fund's total 'ongoing charges figure'.

## Objectives and investment policy

- The Fund employs a passive management – or indexing – investment approach, through physical acquisition of securities, and seeks to track the performance of the Bloomberg Sterling Gilt Float Adjusted Index (the "Index").
- The Index includes UK Gilts denominated in UK pounds sterling with maturities greater than one year.
- The Fund attempts to: 1. Track the performance of the Index by investing in a portfolio of Gilts 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.

‡ Synthetic Risk and Reward Indicator

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Data as at 30 September 2021 unless otherwise stated.

### Performance summary\*\*

EUR—Vanguard U.K. Gilt UCITS ETF

Benchmark — Bloomberg Sterling Gilt Float Adjusted Index in EUR

	01 Oct 2020	30 Sep 2021
Fund (Net of expenses)	—	-8.25%
Benchmark	—	-8.17%

Performance**	1 month	Quarter	Year to date	1 year	3 years	5 years	10 years	Since inception
Fund (Net of expenses)	-4.10%	-2.17%	-8.68%	-8.25%	—	—	—	-6.01%
Benchmark	-4.11%	-2.15%	-8.62%	-8.17%	2.37%	0.34%	3.17%	-6.12%

\*\*Figures for periods less than one year are cumulative returns. All other figures represent 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 is NAV to NAV with gross income invested. Basis of index performance is total return. Performance and Data is calculated on closing NAV as at 30 September 2021.

#### Past performance is not a reliable indicator of future results.

The Fund invests in securities which are denominated in currencies other than the share class currency. Movements in currency exchange rates can affect the return of investments. Currency hedging techniques are used to minimise the risks associated with movements in currency exchange rates but these risks cannot be eliminated entirely. As this information relates to a share class where such techniques are used, for the purposes of the "Past performance" section above, the performance of this share class is shown against the Bloomberg Sterling Gilt Float Adjusted Index in EUR (the "Hedged Index"), which is a currency hedged version of the Index.

Source: Vanguard; Bloomberg Sterling Gilt Float Adjusted Index in EUR - The Index is a widely recognised benchmark designed to reflect the total universe of publicly traded, fixed-coupon, dollar-denominated investment grade corporate bonds with maturities greater than one year and which have a minimum issue size of \$250 million.

### Key investment risks

The value of bonds and fixed income-related securities is affected by influential factors such as interest rates, inflation, credit spreads and volatility which, in turn, are driven by other factors including political, economic news, company earnings and significant corporate events. Movements in currency exchange rates can adversely affect the return of your investment.

**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.

**Bond risk.** The Fund invests in bonds which may provide higher yields but as such may carry greater credit risk increasing the risk of defaults on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

**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.

**Please also read the risk factors section in the prospectus and the Key Investor Information Document, both of which are available on the Vanguard website.**

**This document is for professional investors only (as defined under the MiFID II Directive) investing for their own account (including management companies (fund of funds) and professional clients investing on behalf of their discretionary clients). Not to be distributed to the public.**

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Data as at 30 September 2021 unless otherwise stated.

### Characteristics

	Fund	Benchmark
Number of bonds	48	53
Yield to worst	-0.97%	1.03%
Average coupon	2.1%	2.2%
Average maturity	17.4 years	17.6 years
Average quality	AA-	AA-
Average duration	13.4 years	13.4 years
Cash investment*	0.5%	—
Turnover rate	15%	—

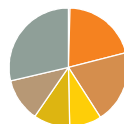
The PTR (Portfolio Turnover Rate) approach considers the total security purchases and sales, the total subscriptions and redemptions and the average net assets of the fund to calculate the turnover figure. Data as at 30 September 2021.

### Market allocation



United Kingdom	99.5%
Other	0.5%

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



Under 1 Year	0.5%	20 - 25 Years	11.7%
1 - 5 Years	20.5%	Over 25 Years	28.7%
5 - 10 Years	19.9%		
10 - 15 Years	8.7%		
15 - 20 Years	10.0%		

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



AA	99.5%
Not Rated	0.5%

Credit-quality ratings for each issue are obtained from Bloomberg 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)



Treasury/federal	99.5%
Cash*	0.5%

\*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

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### Investment risk information

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Funds investing in fixed interest securities carry the risk of default on repayment and 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. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

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.

The Funds may use derivatives in order to reduce risk or cost and/or generate extra income or growth. The use of derivatives could increase or reduce exposure to underlying assets and result in greater fluctuations of the Fund's net asset value. A derivative is a financial contract whose value is based on the value of a financial asset (such as a share, bond, or currency) or a market index.

Some funds invest in securities which are denominated in different currencies. Movements in currency exchange rates can affect the return of investments.

For further information on risks please see the "Risk Factors" section of the prospectus on our website at <https://global.vanguard.com>.

### Glossary for ETF attributes

The ETF attributes section on the first page contains a number of metrics that professional investors use to value individual securities 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 securities 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%.

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

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

Web: <http://global.vanguard.com>

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Non advised personal investor: [Personal\\_investor\\_enquiries@vanguard.co.uk](mailto:Personal_investor_enquiries@vanguard.co.uk)

### Important information

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Vanguard Funds plc has been authorised by the Central Bank of Ireland as a UCITS and has been registered for public distribution in certain EEA countries and the UK. Prospective investors are referred to the Funds' prospectus for further information. Prospective investors are also urged to consult their own professional advisers on the implications of making an investment in, and holding or disposing shares of the Funds and the receipt of distributions with respect to such shares under the law of the countries in which they are liable to taxation.

The Manager of Vanguard Funds plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management Limited is the distributor of Vanguard Funds plc.

For further information on the fund's investment policies, please refer to the Key Investor Information Document ("KIIDs"). The KIID for this fund is available in local languages, alongside the prospectus via Vanguard's website <https://global.vanguard.com/>.

The Indicative Net Asset Value ("iNAV") for Vanguard's ETFs is published on Bloomberg or Reuters. Refer to the Portfolio Holdings Policy at [https://global.vanguard.com/portal/site/portal/ucits-documentationfor\\_holdings\\_information](https://global.vanguard.com/portal/site/portal/ucits-documentationfor_holdings_information).

The Central Bank of Ireland has granted authorisation for the Vanguard U.K. Gilt UCITS 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 bodies of which one or more EU Member States are members. The Vanguard U.K. Gilt UCITS ETF invests more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by the UK.

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