

Factsheet | 31 May 2018

# Vanguard EUR Eurozone Government Bond UCITS ETF

An exchange-traded fund

Key ETF facts						
	SEDOL	Exchange ticker	Reuters	Bloomberg	Bloomberg iNav	Valoren
London Stock Exchange GBP	BYM2WB6	VETY	VETY.L	VETY LN	IVETYGBP	—
SIX Swiss Exchange CHF	BD97ZY1	VETY	VETY.S	VETY SW	IVETYCHF	30358995
NYSE Euronext EUR	BD97ZR4	VETY	VETY.AS	VETY NA	IVETY	—
Deutsche Börse EUR	BD97JQ1	VGEB	VGEB.DE	VGEB GY	IVETY	—
<b>Benchmark</b> Bloomberg Barclays Euro Aggregate: Treasury Index	<b>Index ticker</b> LEATTREU		<b>Inception date</b> 24 February 2016		<b>Tax reporting</b> UK reporting	
<b>Domicile</b> Ireland	<b>Investment structure</b> UCITS		<b>Legal entity</b> Vanguard Funds plc		<b>Dividends</b> Distributed	
<b>SRRI**</b> 3	<b>Ongoing Charges Figure***</b> AMC/OCF*** 0.12%					
<b>Base currency</b> EUR	<b>ISIN</b> IE00BZ163H91		<b>Investment method</b> Physical		<b>Dividend schedule</b> Monthly	
<b>Investment manager</b> Vanguard Global Advisers, LLC	<b>Total assets</b> EUR (million) 12		<b>Countries registered</b> Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom			

## Investment approach

- The Fund seeks to track the performance of the Index.
- In seeking to achieve its investment objective, the Fund aims to provide a return (comprising both income and capital appreciation) which, before application of fees and expenses, is similar to the return of the Index.
- The Fund employs a “passive management” – or indexing – investment approach, through physical acquisition of securities, designed to track the performance of the Index.
- In tracking the performance of the Index, the Fund will invest in a portfolio of fixed-rate bonds issued and/or guaranteed by the governments of euro zone member countries that so far as possible and practicable consist of a representative sample of the component securities of the Index.

## About the benchmark

- The Index is a widely recognised benchmark designed to reflect the total universe of publicly traded, fixed-coupon, euro-denominated treasury securities with maturities greater than one year and which have a minimum issue size of EUR 300 million.

## Performance summary as at 31 May 2018 \*

EUR—Vanguard EUR Eurozone Government Bond UCITS ETF

	Net of expenses	Benchmark
May 2013 – 2014	—%	—%
May 2014 – 2015	—	—
May 2015 – 2016	—	—
May 2016 – 2017	-0.64	-0.52
May 2017 – 2018	0.26	0.42

## Performance \*

EUR—Vanguard EUR Eurozone Government Bond UCITS ETF

Benchmark—Bloomberg Barclays Euro Aggregate: Treasury Index

	Net of expenses	Gross of expenses	Benchmark
1 month	-1.32%	-1.31%	-1.23%
3 months	-0.12	-0.09	-0.02
Year to date	-0.30	-0.25	-0.19
1 year	0.26	0.38	0.42
Since inception	0.17	0.29	0.30

\* 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 NAV to NAV with gross income invested. Basis of index performance is total return.

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

Source: Vanguard Global Advisers, LLC as at 31 May 2018

\*\* Synthetic Risk and Reward Indicator

\*\*\* 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'.

# Vanguard EUR Eurozone Government Bond UCITS ETF

## An exchange-traded fund

### Characteristics

	Fund	Benchmark
Number of bonds	207	370
Effective YTM	0.83%	0.83%
Average coupon	3.1%	3.0%
Average maturity	9.5 years	9.4 years
Average quality	A+	A+
Average duration	7.6 years	7.6 years
Cash investment	0.1%	—

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

	Fund
AAA	22.5%
AA	35.9
A	16.9
BBB	24.6
Not Rated	0.1
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 issuer (% of fund)

	Fund
Treasury/federal	99.9%
Cash	0.1
Total	100.0%

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

	Fund
Under 1 Year	0.1%
1 - 5 Years	37.2
5 - 10 Years	32.8
10 - 15 Years	11.2
15 - 20 Years	4.7
20 - 25 Years	6.4
Over 25 Years	7.6
Total	100.0%

### Market allocation

	Fund
France	24.3%
Italy	22.3
Germany	17.4
Spain	14.1
Belgium	6.1
Netherlands	5.2
Austria	3.8
Portugal	2.2
Ireland	2.1
Finland	1.6
Total	99.1%

Source: Vanguard Global Advisers, LLC

### 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.

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.

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

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.

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.

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.

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

**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.**

# Vanguard EUR Eurozone Government Bond UCITS ETF

## An exchange-traded fund

### 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 fund(s) may invest in financial derivative instruments that could increase or reduce exposure to underlying assets and result in greater fluctuations of the fund's Net Asset Value. Some derivatives give rise to increased potential for loss where the fund's counterparty defaults in meeting its payment obligations.

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

### 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%.

**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.

### Important information

The information contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information in this document is general in nature and does not constitute legal, tax, or investment advice. Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of shares of, and the receipt of distribution from any investment.

Vanguard Funds plc have been approved for distribution in and or from Switzerland by the Swiss Financial Market Supervisory Authority (FINMA). The Representative and the Paying Agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich. Copies of the Articles of Incorporation, KIID, Prospectus, Declaration of Trust, By-Laws, Annual Report and Semiannual Report for these funds can be obtained free of charge in local languages from the Swiss Representative or from Vanguard Investments Switzerland GmbH via our website <https://global.vanguard.com/>.

The Manager of Vanguard Funds plc is Vanguard Group (Ireland) Limited. Vanguard Investments Switzerland GmbH is a distributor of Vanguard Funds plc in Switzerland.

Vanguard Funds plc has been authorised by the Central Bank of Ireland as a UCITS. Prospective investors are referred to the Funds' prospectus for further information. Prospective investors are also urged to consult their own professional advisors 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.

For further information on the fund's investment policy, please refer to the Key Investor Information Document ("KIID").

The KIID and the Prospectus for this fund is available in local languages from Vanguard via our website <https://global.vanguard.com/>.

CUSIP identifiers have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services, LLC, and are not for use or dissemination in a manner that would serve as a substitute for any CUSIP service. The CUSIP Database, © 2018 American Bankers Association. "CUSIP" is a registered trademark of the American Bankers Association.

The products are not sponsored, endorsed, issued, sold or promoted by "Bloomberg or Barclays". Bloomberg and Barclays make no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Barclays Indices to track general bond market performance. Neither Bloomberg nor Barclays has passed on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Barclays Indices which are determined, composed and calculated by BISL without regard to Vanguard or the Vanguard Product or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products or the owners of the products into consideration in determining, composing or calculating the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Neither Bloomberg nor Barclays has any obligation or liability in connection with the administration, marketing or trading of the products.

SEDOL and SEDOL Masterfile® are registered trademarks of the London Stock Exchange Group PLC.

SEDOL Data has been provided from the London Stock Exchange's SEDOL Masterfile®.

Issued by Vanguard Investments Switzerland GmbH.

***This page is intentionally left blank***