Vanguard

JULY 2026

ACTIVE
FIXED INCOME

# Global Short-Term Core Bond Fund in a nutshell

**This is a marketing communication**

The fund seeks to deliver steady, risk-adjusted returns with low volatility by actively investing in a globally diversified mix of short-duration fixed income securities.

## Key highlights

1. **Yield advantage versus cash.** Offers a higher yield than cash and money market exposures[1], making idle cash "work harder" while limiting the risk of rising interest rates associated with long-duration bonds.

2. **Lower interest rate sensitivity.** Short-maturity bonds (1–5 years) are much less sensitive to rate hikes than longer-term bonds, reducing the portfolio impact of a scenario of rising yields.

3. **Portfolio ballast and stability.** A high-quality short-duration fund designed to act as a portfolio ballast, offsetting the volatility associated with equity markets and long-duration bonds.

### Target asset allocation, with the flexibility to capture opportunities

- **40%** Credit (investment-grade)
- **5%** Credit (high yield)
- **15%** Securitised
- **40%** Treasury/Government-related

### Combined with guardrails to manage risk effectively

| | |
|---|---|
| **High yield** | Maximum 10% |
| **Emerging markets** | +/- 10% vs. benchmark |
| **Duration** | +/- 1 year vs. benchmark |

## Key attributes

### Low cost

The ongoing charges figure (OCF) is 0.15-0.25% versus a peer group average of 0.69%[2].

### Benchmark

Bloomberg Global Aggregate 1-5 Year Index

### Fund manager

Vanguard Fixed Income Group

### Portfolio managers

Ales Koutny, CFA
Sarang Kulkarni, CFA

2 Source: Vanguard and Morningstar, as at 30 June 2026. The Ongoing Charges Figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds. Peer group average OCF based on the Morningstar Global Diversified Bond category.

**Please read the risk factors section in the prospectus, available on our website.**

1 Source: Bloomberg and Vanguard, as at 30 June 2026, based on a modelled yield curve built from Bloomberg's evaluated pricing data in USD. A higher yield is available at the 2.5-year point (which equates to the average maturity of the fund) than shorter maturities (money market) or cash rates. Cash is represented by the SOFR index and money markets by the Bloomberg Short Treasury Index.

## Why Vanguard for active fixed income?

We bring over 40 years of experience in managing active fixed income portfolios, supported by a long-term track record globally. Notably, 89% of our active fixed income funds with a track record of more than 10 years have outperformed their peer groups[3]. How have we achieved this?

It's the combination of three key strengths that differentiates our approach.

1. **Scale and depth of expertise.** Our global team of more than 120 fixed income specialists - including research analysts, portfolio managers and traders – is focused solely on identifying investment opportunities across the entire fixed income spectrum.
2. **A disciplined, 'true-to-label' approach.** We avoid large, directional macro bets, aiming instead for steady, repeatable outcomes over the long term.
3. **Cost advantage through scale.** Given our modest low-cost structure, we have an asymmetric advantage to deliver net outperformance to investors. When the opportunity set is compelling, we can take on a similar level of risk to our peers. However, when the risk–reward balance is less favourable, we can dial down risk and adopt a more defensive stance.

## About Vanguard's Fixed Income Group

Vanguard is one of the world's largest fixed income managers with over $2.9 trillion in assets under management[4] and over 40 years' experience managing active fixed income portfolios, having launched our first active bond fund in 1982.

Vanguard's Fixed Income Group (FIG) includes experts on economics, interest rates, industry sectors, risk, trading and security analysis.

The FIG team's philosophy emphasises rigorous and consistent portfolio construction, driven by analysis, to achieve highly controlled, consistent and cost-effective investment results for clients.

3 Source: LSEG Lipper. Data as at 31 March 2026. 89% of Vanguard active bond funds globally in each category that outperformed the average return of their peer group of mutual funds over 10 years. For the 10-year period, 48 of 54 bond funds outperformed their peer-group averages. Results will vary for other time periods. Only funds with a minimum 10-year history were included in the comparison. Not all funds included are available in Europe.

4 Source: Vanguard, as at 30 April 2026.

## 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.

Past performance is not a reliable indicator of future results.

Some funds invest in emerging markets which can be more volatile than more established markets. As a result the value of your investment may rise or fall.

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.

The Fund 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.

## Investment risk information

**This is a marketing communication.**

**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).**
**In Switzerland for professional investors only. Not to be distributed to the public.**

For further information on the fund's investment policies and risks, please refer to the prospectus of the UCITS and to the KIID (for UK, Channel Islands, Isle of Man investors) and to the KID (for European investors) before making any final investment decisions. The KIID and KID for this fund are available in local languages, alongside the prospectus, which is available in English only, via Vanguard's website https://global.vanguard.com/.

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For investors in Ireland domiciled funds, a summary of investor rights can be obtained via https://www.ie.vanguard/content/dam/intl/europe/documents/en/vanguard-investors-rights-summary-irish-funds-jan22.pdf and is available in English, German, French, Spanish, Dutch and Italian.

**For Dutch investors only:** The fund(s) referred to herein are listed in the AFM register as defined in section 1:107 Dutch Financial Supervision Act (Wet op het financieel toezicht). For details of the Risk indicator for each fund listed, please see the fact sheet(s) which are available from Vanguard via our website https://www.nl.vanguard/professional/product.

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