

28 February 2019

International Fixed Interest Fund

Fund description

Invests mainly in international fixed interest assets. Investments may include fixed interest assets issued by governments or international companies, and cash and cash equivalents.

Market and fund review

The fund returned 0.15% over the month.

During the month, Jerome Powell, said that while the US economy looks strong, there are worrying signs on the horizon when it came to economic conditions. Essentially he said that the US Fed would be taking a more data-dependent path to interest rate settings going forward. There was also talk that the US Fed would keep a much larger balance sheet than previously planned.

Meanwhile, in Europe, the European Central Bank (ECB) left interest rates at current record lows. However, its long-standing guidance of suggesting that interest rates will move higher later this year seems out of sync with market expectations – as economic growth within the region has slowed.

The yield on the US government 10-year bond drifted lower for the best part of the month. However, yields rose sharply on the last day of the month as share markets rallied strongly, underscoring the demand for assets perceived as risky, and away from safe havens such as government bonds.

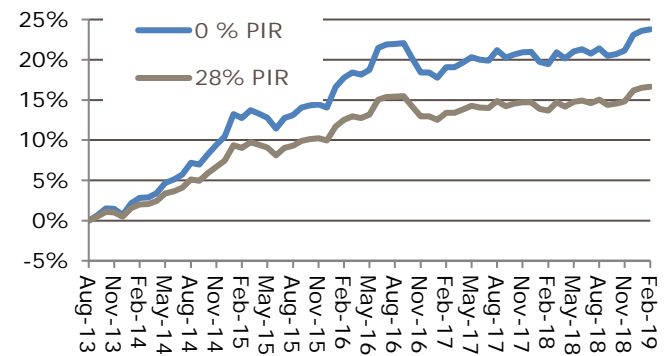
The fund's GDP-weighted approach to investing detracted slightly from relative performance during the month. The fund was overweight to weaker performing US bonds and underweight to stronger performing Japanese bonds.

Fund performance

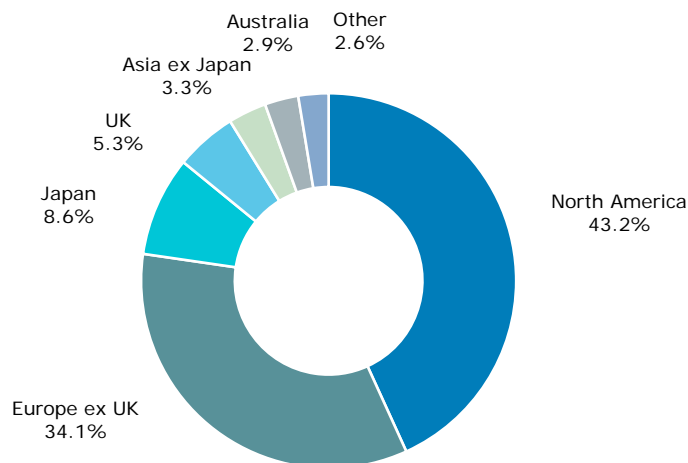
| | 1mth | 3mth | 6mth | 1yr | 3yrs (ann) | 5yrs (ann) | Since Launch (ann) |
|----------------|------|------|------|------|------------|------------|--------------------|
| At 0% PIR Tax | 0.2% | 2.2% | 2.0% | 3.6% | 1.7% | 3.8% | 4.0% |
| At 28% PIR Tax | 0.1% | 1.6% | 1.4% | 2.6% | 1.2% | 2.7% | 2.9% |

Performance is after fund fees and stated PIR. The 28% PIR return series shows returns at the highest PIR at the time of the performance.

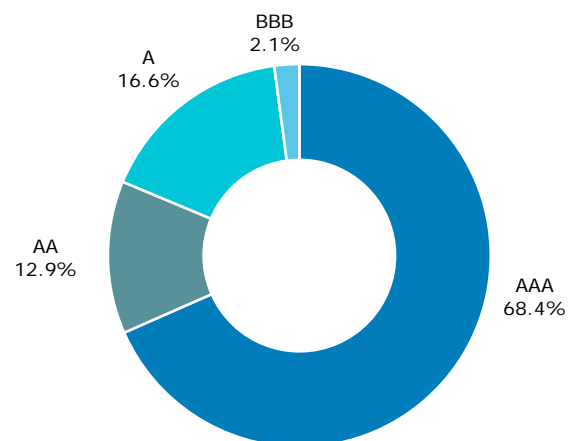
Fund performance since launch



Country allocation (one month delay)



Credit allocation (one month delay)



Top 10 Holdings

| | | | |
|---|-------------------------------|-------------|------|
| 1 | United States Treasury 2.87% | 31 Oct 2020 | 1.5% |
| 2 | Germany Govt Bond 11 Sep 2020 | | 1.1% |
| 3 | United States Treasury 2.25% | 31 Dec 2024 | 0.9% |
| 4 | United States Treasury 2.37% | 31 Jan 2023 | 0.9% |
| 5 | United States Treasury 1.50% | 31 Jan 2022 | 0.9% |
| 6 | Hong Kong Govt Bond 0.91% | 05 Nov 2020 | 0.7% |
| 7 | Norway Govt Bond 3.75% | 25 May 2021 | 0.7% |
| 8 | United States Treasury 2.62% | 28 Feb 2023 | 0.7% |
| 9 | United States Treasury 1.62% | 15 Oct 2020 | 0.7% |
| 10 | United States Treasury 1.50% | 15 Jun 2020 | 0.7% |
| Total Top 10 Holdings | | | 8.8% |
| # International Fixed Interest Holdings | | | 806 |

International Fixed Interest Fund

Current fund structure



External fund manager

Vanguard Investments Australia

Vanguard Investments Australia Limited (Vanguard) manages a portfolio of international fixed interest assets issued by governments. Vanguard also manages a portfolio of international credit securities.

Additional fund details

Minimum transaction amounts

| | |
|----------------------|-------|
| Lump sum withdrawals | \$500 |
| Regular withdrawals | \$100 |

Fees

| | |
|--------------------|-------|
| Annual fund charge | 0.94% |
|--------------------|-------|

Launch date

20 September 2013

Detailed fund information

[Guide and product disclosure statement](#)

Forms to alter your investment

[See form section of product disclosure statement](#)

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Information is current as at the date of this document and may change on a daily basis.

Past performance does not indicate future performance. The actual performance any given investor realises will depend on many things, is not guaranteed and may be negative as well as positive.

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