

# Vanguard Emerging Markets Bond Fund

EM Hard Ccy Bonds

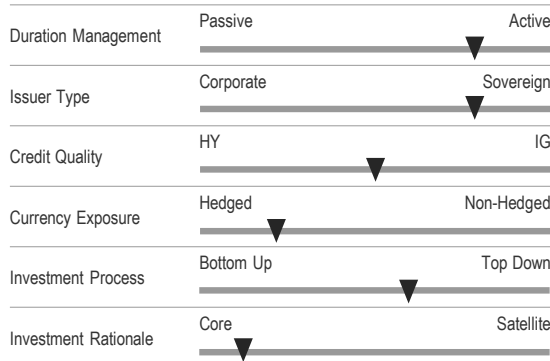
## Portfolio Strategy

The Vanguard Emerging Markets Bond Fund aims to deliver total return through investments primarily in fixed-income securities linked to emerging markets. It invests at least 80% of its assets in dollar-denominated or hedged bonds, focusing on sovereign, supranational, corporate, and financial issuers. The fund uses the J.P. Morgan EMBI Global Diversified Index as its benchmark and is positioned for a medium to long-term investment horizon.

## Key Features

Asset Manager	Vanguard Group (Ireland) Limited
Net Assets Value	2,625 (Mio US Dollar)
Inception Date	03/12/2019
UCITS	Yes
Base Currency	US Dollar
Liquidity	Daily
Share Class*	US Dollar Acc
Management Fees* (%)	0.60%
Performance Fees	No
CH Registered	Yes
Yield to Worst	6.1
Modified Duration	6.1
Average Rating	BB+

## Portfolio Style



## Investment Rationale

The Vanguard Emerging Markets Bond Fund offers a strategic alternative in the fixed-income space through selective security and sector choices, aimed at generating enhanced returns while managing risks. It is suitable for investors with higher risk tolerance seeking total return and fits effectively as a core emerging market bond allocation. The fund's strengths include rigorous credit research and a diversified portfolio, positioning it as a best-in-class solution.

## Investment Philosophy

- The fund primarily invests in fixed income securities linked to emerging markets, focusing on dollar-denominated and currency-hedged bonds to manage currency risk.
- A hybrid research approach combines macroeconomic analysis with fundamental credit evaluations to identify attractive investment opportunities.
- The portfolio contains a diversified selection of 272 holdings, with a high turnover rate of 239%, allowing for responsive adjustments to market conditions.
- Risk management strategies include actively monitoring interest rate exposure and implementing derivatives for tactical duration and currency hedging adjustments.

## Fund Management Team

The Vanguard Emerging Markets Bond Fund is managed by an experienced lead portfolio manager with a tenure since the fund's inception. Supporting the manager is a multi-disciplinary team of analysts focused on geopolitical, macroeconomic, and credit fundamentals. Decision-making involves collaborative investment committees and quantitative risk analytics, ensuring a comprehensive approach to managing the associated risks in emerging market debt. This structure enables effective navigation of complex credit environments.

## Strengths

The Vanguard Emerging Markets Bond Fund distinguishes itself within the emerging market fixed income space through its disciplined risk management and extensive research capabilities. Its affiliation with Vanguard ensures operational efficiencies and rigorous governance, supported by a comprehensive analytical framework that integrates macroeconomic trends and credit fundamentals. The fund's portfolio, featuring diverse issuers, coupled with a high turnover rate, facilitates opportunistic alpha capture while mitigating volatility risks. Additionally, its strong performance relative to the benchmark, underpinned by tactical duration management and strategic credit selection, adds to its appeal. The fund's structure as an Irish UCITS also enhances regulatory compliance and investor protection, making it an attractive option for those seeking exposure to emerging markets within a robust framework.

## Weaknesses

Key sell triggers include significant team turnover, which could impact decision-making and strategy execution. Additionally, increasing assets under management may strain ability to execute trades efficiently. Changes in ownership or management, style drift, and persistent structural underperformance warrant ongoing monitoring.

	1M	YTD	2025	2024	2023	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
<b>Fund</b>	1.57	3.19	13.56	7.12	14.16	11.76	4.34	1.01	6.64	-5.15
<b>Index</b>	0.93	1.60	13.58	5.99	10.60	10.06	2.02	0.74	6.94	

\*ISIN Code: IE00BKLWXM74. ISIN used for performance: IE00BKLWXM74 Performance data source and Key Points provided by Wealth Solutions Partners SA. - Past performance should not be seen as an indication of future performance. Index: iShares JP Morgan \$ EM Bd ETF USD Acc. Data as of: 31/05/2026