Vanguard support for Advisers' Statement of Advice

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Vanguard Investments Australia

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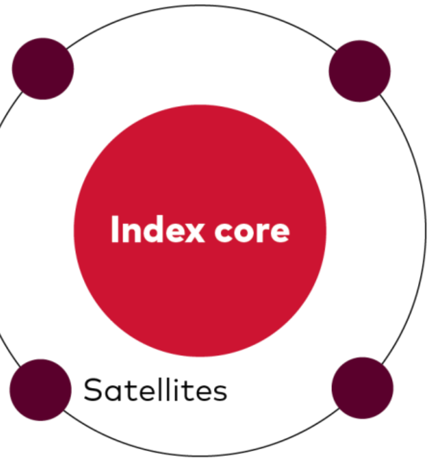
The core-satellite approach to portfolio construction

As the name suggests, a core-satellite portfolio consists of a core where most of your investments are allocated.

Around the core are various satellite investments that serve specific investment needs.

- The core of the portfolio provides broad exposure to investment markets. For this reason, it's typically made up of low-cost, highly diversified **passive (index)** funds.
- The satellites are selected assets that aim to target specific sectors, regions or investment themes, often via **active funds**. Passive funds can also be used as satellites.



Using indexing as the 'core'

An index is a group of securities designed to represent a broad market or a portion of the broad market. There are indexes representing the investment results of all major markets and asset classes. An index fund or ETF invests in all or a representative sample of the securities of the index it tracks.

Investing in a broadly diversified index fund will ensure investment returns reflect the market performance of the underlying asset class. There is a low risk that returns will deviate substantially from the index benchmark and favourable odds of realising market returns over time. Simply stated, the return from indexing is market performance minus costs—and the costs of indexing are low.

With active management, the investor is seeking enhanced returns compared with the market in a disciplined fashion, after all costs. Any excess market returns can make a difference to the value of a portfolio when compounded over time.

Incorporating an index fund as the 'core' of a portfolio offers several benefits.

- Low costs: Index funds have lower ongoing fees and transaction costs than most active funds investing in similar assets.
- Lower transaction costs: Index funds have a low portfolio turnover as they tend to buy-and-hold securities for longer periods to track the index. Lower portfolio turnover results in low ongoing transaction costs. Transaction costs can include brokerage,

commissions, stamp duty, custody and other expenses associated with trading securities.

- Tax efficiency: An index management approach minimises portfolio turnover, relative to an active fund, so an index fund generates fewer tax events.
- Diversification: An index fund gives access to a broad spread of securities that make up a market index. Portfolio diversification means less exposure to the performance fluctuations of individual securities, moderating overall volatility.
- Transparency: An index fund is designed to track an index and therefore allows greater control and transparency over a portfolio's risks.

<table>
<tr><td>The index approach

• Seeks market returns
• Lower cost
• Lower manager risk
• Long-term focus
• Higher potential tax efficiency</td><td>The active approach

• Seeks outperformance
• Higher cost
• Higher manager risk
• Shorter-term focus
• Lower potential tax efficiency</td></tr>
<tr><td>Index funds have historically delivered competitive long-term performance at a low cost.

Due to their inherent properties as highly diversified, low-cost investments tracking market performance, index funds are the conventional choice for the core of a portfolio.

An index fund has low levels of portfolio turnover. Lower portfolio turnover typically results in lower costs and more favourable tax outcomes.</td><td>By adding active investments as a complement to a passive core you can 'tilt' a portfolio towards a particular sector or high conviction style or manage a certain objective such as outperforming the broad market.

Passive (index) funds can also be used as satellites.</td></tr>
<tr><td colspan="2">Getting the mix right.

The main portfolio construction question I consider when constructing your portfolio is how to best blend a range of investments which are aligned to your risk appetite, objectives, and preferences.

From an investment return perspective, there is typically a trade-off to be made between the estimated outperformance, expected consistency of outperformance, and cost.</td></tr>
</table>

Portfolio rebalancing

[Insert Adviser Company Name]'s believes that the asset allocation decision—which takes into account each investor's risk tolerance, time horizon, and financial goals—is one of the most important decisions in the portfolio construction process. This is because asset allocation is the major determinant of risk and return for a given portfolio. Over time, as asset classes produce different returns, the portfolio weights will move from the target asset allocation. This changes the risk and return characteristics to an allocation that may be inconsistent with an investor's goals and preferences. Portfolio rebalancing is important because it helps investors to maintain their target asset allocation. By periodically rebalancing, investors can diminish the tendency for "portfolio drift," and thus potentially reduce their exposure to risk relative to their target asset allocation. Annual or semi-annual monitoring is likely to produce a reasonable balance between risk control and cost minimisation for most investors. Annual rebalancing is likely to be preferred when taxes or substantial time/costs are involved.

The fund manager

Vanguard Investments Australia Ltd is [Insert Adviser Company Name]'s chosen provider of index or active fund solutions.

Vanguard Investments Australia Ltd ("Vanguard") is a wholly owned subsidiary of The Vanguard Group, Inc. The Vanguard Group, Inc. is one of the world's largest global investment management companies, with AUD $13 trillion in assets under management globally as of 31 January 2024, including over AUD $3.8 trillion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for over 25 years.

Vanguard's index management approach

Vanguard employs efficient indexing strategies to minimise portfolio turnover and transaction costs. Vanguard understands what aspects of fund performance can be controlled and diligently implements tax-efficient strategies and operational efficiencies to keep management costs low. This approach helps to maximise investors' after-tax returns.

Vanguard's approach to active investing

Vanguard's active funds aim to provide stability, experience and a focus on long-term, low-cost investing. These attributes have played a consistent role in our long history of active investing, whether managing active fixed income and equity ourselves or choosing external managers that we're confident will add value while embracing our approach. Vanguard Portfolio Review Department (PRD) has responsibility for implementing Vanguard's approach to manager selection, which includes evaluating external managers for potential mandates, as well as internal portfolio managers, such as the Vanguard Quantitative Equity Group (QEG) and the Vanguard Fixed Income Group (FIG).

We believe, and research supports, that low costs, top talent and patience are the most critical factors in improving the likelihood of outperformance using active investments, whether equity or fixed income. Vanguard offers the following approaches:

- Fundamental active products aim to deliver excess returns through fundamental security selection
- Factor-based products which specifically target consistent exposure to a particular factor regardless of any potential short or long-term view of that factor's risk and return potential

Case for active

We believe that the best approach for most investors is a portfolio diversified across and within asset classes, with exposure to both actively managed and index funds. Contrary to popular belief, active and index investing are not opposing philosophies, but complementary techniques.

Indexing is a cost-effective, powerful strategy for achieving market exposure that, over time, has demonstrated consistent outperformance relative to most actively managed strategies. We believe a strategy using a pure passive approach is suitable for clients that are highly sensitive to performance variation relative to a given benchmark/index because index funds eliminate active management risk and reduce tracking error.

However, we also believe that our active management can add value (provide alpha) to a portfolio under the right conditions – primarily very low management costs and skilled manager selection and oversight.

We can provide clients with access to renowned investment firms and negotiate a fee structure that provides exceptional value to clients. This is a result of our unique corporate structure in the US and the fact that we have substantial assets under management across 25 external investment managers.

Vanguard’s Manager Select series

When evaluating current and prospective managers, Vanguard use a framework focusing on qualitative criteria, not short-term performance. Sometimes the search ends within our own investment management teams. Other times we tap into the expertise of external managers that promote the Vanguard way of investing, one that emphasises low costs and a long-term perspective.

External managers partner with Vanguard for the opportunity to engage in a long-term partnership with a reputable firm that provides scale.

Vanguard’s selection and monitoring process is led by CEO Tim Buckley, with all appointments individually approved by the highly experienced and tenured Vanguard Board of Directors.

For our actively managed equity funds, PRD identifies investment managers who it believes are able to deliver strong long-term investment results for clients. PRD conducts manager searches on a continual basis, seeking to identify investment managers with which Vanguard can develop and maintain long-term relationships.

Factor based investing

Factors are the DNA of investments. They are the underlying attributes that influence how an investment behaves. By targeting these attributes, factor-based investments attempt to deliver an investment premium, such as market outperformance or reduced volatility.

Every investment is influenced by underlying factors that help explain its risks and returns. For instance, value is a well-known factor. Traditionally, a value-focused investment seeks to deliver excess returns from stocks that appear inexpensive compared with a company’s value. An investor who buys value stocks is willing to take on certain risks in order to earn a return premium compared with what the broad market can deliver.

Researchers have identified hundreds of factors. Some have earned historical return premiums, while others have produced premiums in the form of lower volatility. Exposure to factors can be achieved through a variety of investment options, including index funds, low-cost active funds, or factor funds and ETFs.

Vanguard factor funds and active ETFs offer investors globally diversified, low-cost and consistent factor exposure through a rules-based active approach.

Vanguard’s factor funds and active ETFs use rules-based active strategies to target the risk and return premiums of well-documented factors.

Vanguard funds

Vanguard offers high-quality, low-cost investment solutions across all main asset sectors.

Cash solutions

Vanguard Cash Reserve Fund

The Vanguard Cash Reserve Fund aims to provide current income while seeking to maintain liquidity and a relatively stable capital value. The return characteristics of the portfolio are expected to be broadly in line with the Bloomberg AusBond Bank Bill Index.

The Fund invests in high-quality, short term money market instruments and short-dated debt securities, including certificates of deposit, banker's acceptances, commercial paper, euro commercial paper, government securities and other short-term or short-dated debt securities. The investments in the Fund are predominately rated A (long-term) or above by Standard & Poor's ratings agency or equivalent. The Fund will maintain a dollar-weighted average maturity of 70 days or less.

The Fund may be suitable for investors with a short-term investment horizon, or seeking a steady and reliable income stream.

Fixed interest solutions

In addition to providing a regular income stream, bonds can provide a stabilising effect during periods of stock market volatility.

Vanguard Short Term Fixed Interest Fund[1]

The Vanguard Short Term Fixed Interest Fund aims to deliver regular income and a total return that exceeds that of the Bloomberg AusBond Bank Bill Index in two out of every three years, before taking into account fees, expenses and tax.

The Fund provides low-cost access to high-quality money-market securities and bonds issued by government, government-related and corporate entities in Australia. The combination of short-term debt securities and money-market securities offers the potential for higher yields than traditional cash funds. The investments in the Fund are predominantly rated the equivalent of at least A (long-term) by Standard & Poor's ratings agency or equivalent. The Fund targets a modified duration of seven to eight months.

The Fund may be suitable for investors with a short-term investment horizon, or seeking a steady and reliable income stream.

[1] On 1 October 2020, the Vanguard Cash Plus Fund was renamed as the Vanguard Short Term Fixed Interest Fund.

Vanguard Australian Fixed Interest Index Fund

The Vanguard Australian Fixed Interest Index Fund seeks to track the return of the Bloomberg AusBond Composite 0+ Yr Index before taking into account fees, expenses and tax.

The Fund invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations, as well as investment-grade corporate issuers. While being low-cost, the Fund also provides some protection against capital volatility. The investments in the Fund are predominantly rated BBB or higher by Standard & Poor's ratings agency or equivalent.

The Fund may be suitable for investors with a medium-term investment horizon, seeking a steady and reliable income stream.

Vanguard Australian Government Bond Index Fund

The Vanguard Australian Government Bond Index Fund seeks to track the return of the Bloomberg AusBond Govt 0+ Yr Index before taking into account fees, expenses and tax.

The Fund invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations. While being low-cost, the Fund also provides some protection against capital volatility. The investments in the Fund are predominantly rated AA or higher by Standard & Poor's ratings agency or equivalent.

The Fund may be suitable for investors with a medium-term investment horizon, seeking a steady and reliable income stream.

Vanguard Australian Inflation-Linked Bond Index Fund

The Vanguard Australian Inflation-Linked Bond Index Fund seeks to track the return of the Bloomberg AusBond Inflation Treasury 1+ Yr Index before taking into account fees, expenses and tax.

The Fund invests in high-quality, inflation-linked bonds issued by the Commonwealth Government of Australia. In a single low-cost investment, the Fund aims to provide a stable income stream as well as capital protection against the long-term effects of inflation.

The Fund may be suitable for investors with a medium-term investment horizon, seeking a steady and reliable income stream linked to changes in the Consumer Price Index.

Vanguard Australian Corporate Fixed Interest Index Fund

The Vanguard Australian Corporate Fixed Interest Index Fund seeks to track the return of the Bloomberg AusBond Credit 0+ Yr Index before taking into account fees, expenses and tax.

The Fund provides investors with low-cost, diversified exposure to Australian corporate bonds. It invests in investment grade bonds issued by corporations including Australia's four largest banks, offshore banks, other lending institutions and property trusts. The benchmark has a shorter duration than the broader composite index but a lower overall credit quality

(BBB or higher by Standard & Poor's ratings agency or equivalent) and therefore a higher expected yield.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of Australian corporate fixed interest securities.

Vanguard Global Aggregate Bond Index Fund (Hedged)

The Vanguard Global Aggregate Bond Index Fund (Hedged) seeks to track the return of the Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to high-quality, income-generating securities issued by governments, government-owned entities, government-guaranteed entities, investment-grade corporate issues and securitised assets from around the world. The investments in the Fund are predominantly rated BBB or higher by Standard & Poor's or equivalent ratings agency. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of international fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard International Fixed Interest Index Fund (Hedged)

The Vanguard International Fixed Interest Index Fund (Hedged) seeks to track the return of the Bloomberg Global Treasury Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to high-quality, income-generating securities issued by governments from around the world. The Fund invests in fixed income securities that generally range in credit-quality from BBB to AAA as rated by Standard & Poor's or equivalent ratings agency. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of international government fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard International Credit Securities Index Fund (Hedged)

The Vanguard International Credit Securities Index Fund (Hedged) seeks to track the return of the Bloomberg Global Aggregate Corporate and Government-Related Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to high-quality, income-generating securities issued by government-owned entities, government-guaranteed entities and investment-grade corporate issuers from around the world. The investments in the Fund are predominantly rated BBB or higher by Standard & Poor's or equivalent ratings agency. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of international fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard Active Global Credit Bond Fund

The Vanguard Global Credit Bond Fund is part of the Manager Select Series and seeks to provide a moderate and sustainable level of current income through exposure to investment grade global credit fixed income bonds. The Fund will implement its investment strategy by investing into the AUD Hedged Class of the Vanguard Global Credit Bond Fund, domiciled in Ireland.

The Fund will have exposure to investment grade global credit fixed income bonds predominantly made up of corporate and non-corporate obligations, with a credit rating of the equivalent of Baa3 and above by Moody's or another rating agency or, if unrated, are determined to be of comparable credit quality. The Fund may also have exposure of up to 10% of its total assets in high yield bonds.

The Vanguard active global fixed income team adopts a strategic and disciplined framework for analysing fixed income securities; focusing on the global market environment, the attractiveness of valuations available, and criteria including yield spread comparisons to determine the level of risk in the portfolio. Credit analysis of individual issuers focuses on cash generation, cash flow predictability and event risk analysis in respect of the issuer, as well as monitoring traditional credit statistics such as interest coverage ratios and leverage ratios. Prospective issuers are then subjected to a detailed analysis of their business and financial information.

Decisions regarding the interest rate structure (i.e. the types and diversity of interest rates the investments have) are based on multiple factors. These include the outlook for the global economy, an in-depth valuation of the level and direction of interest rates, the comparison of expectations of inflation reflected in the yields of fixed income debt securities and the prevailing level of inflation, as well as the impact of forecasted levels of real economic activity on inflation expectations.

The Fund may be suitable for investors seeking exposure to an actively-managed diversified portfolio of global credit fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – AUD Hedged

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – AUD Hedged seeks to track the return of the Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index Hedged into Australian dollars before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to global investment grade securities (securities) including government, government-related, corporate, and securitised fixed rate bonds from both developed and emerging market issuers.

Bloomberg (the Index provider) uses research data supplied by MSCI to construct the Index independently of Vanguard, excluding securities covered by MSCI research. The Index excludes corporate and government-related issuers that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons or adult entertainment. The Index uses MSCI ESG Controversies research to exclude corporate and government-related issuers which MSCI has identified as being directly involved in one or more very severe ongoing ESG controversies through its actions, products or operations. The Index also excludes government and government-related issuers with a MSCI ESG rating below "BBB".

Where MSCI has insufficient or no data available to adequately assess a particular issuer, securities of this issuer may not be excluded. The Index screening process does not review certain securitised assets and company structures. Accordingly, securities issued by non-screened entities may also be contained in the Index. For further information about the Index, including details of the business involvement screens and applicable revenue thresholds, please refer to: www.vanguard.com.au/Bloomberg_MSCI_Global_Aggregate_SRI_Exclusions_Float_Adjusted_Index

The Fund is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations for Australian investors.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of international fixed interest securities with an ethically conscious screen that is relatively unaffected by currency fluctuations.

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged seeks to track the return of the Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Hedged into New Zealand dollars Index before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to global investment grade securities (securities) including government, government-related, corporate, and securitised fixed rate bonds from both developed and emerging market issuers.

Bloomberg (the Index provider) uses research data supplied by MSCI to construct the Index independently of Vanguard, excluding securities covered by MSCI research. The Index excludes corporate and government-related issuers that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons or adult entertainment. The Index uses MSCI ESG Controversies research to exclude corporate and government-related issuers which MSCI has identified as being directly involved in one or more very severe ongoing ESG controversies through its actions, products or operations. The Index also excludes government and government-related issuers with a MSCI ESG rating below "BBB".

Where MSCI has insufficient or no data available to adequately assess a particular issuer, securities of this issuer may not be excluded. The Index screening process does not review

certain securitised assets and company structures. Accordingly, securities issued by non-screened entities may also be contained in the Index. For further information about the Index, including details of the business involvement screens and applicable revenue thresholds, please refer to:
https://www.vanguard.com.au/Bloomberg_MSCI_Global_Aggregate_SRI_Exclusions_Float_Adjusted_Index

The Fund is hedged to New Zealand dollars so the value of the Fund is relatively unaffected by currency fluctuations for New Zealand investors.

Vanguard Diversified Bond Index Fund

Vanguard Diversified Bond Index Fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars, before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified portfolio of Australian and International bonds. It invests in high-grade securities issued by government, government-related and government-guaranteed entities, corporate issues and securitised assets. The Fund delivers regular income along with moderate long-term growth. The investments in the Fund are predominantly rated BBB or higher by Standard & Poor's ratings agency or equivalent.

The Fund may be suitable for investors with a short to medium term investment horizon, seeking a steady and reliable income stream through Australian and international fixed interest securities.

Property solutions

Vanguard Australian Property Securities Index Fund

The Vanguard Australian Property Securities Index Fund seeks to track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.

The Fund provides a low-cost way to invest in property securities listed on the Australian Securities Exchange. The property sectors in which the Fund invests include retail, office, industrial and diversified. The Fund offers potential long-term capital growth and tax-effective income that may include a tax-deferred component.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, some tax-effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Property Securities Index Fund

The Vanguard International Property Securities Index Fund seeks to track the return of the FTSE EPRA/NAREIT developed ex Australia rental index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to international property securities listed in developed countries. It invests in a broad range of securities that include real estate investment trusts as well as companies that own real estate assets and derive a significant proportion of their revenue from rental income. The Fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, some income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Property Securities Index Fund (Hedged)

The Vanguard International Property Securities Index Fund (Hedged) seeks to track the return of the FTSE EPRA/NAREIT developed ex Australia rental index, Australian Dollar Hedged (with net dividends reinvested) before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to international property securities listed in developed countries. It invests in a broad range of securities that include real estate investment trusts as well as companies that own real estate assets and derive a significant proportion of their revenue from rental income. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, some income, and with a higher tolerance for the risks associated with share market volatility.

Australian shares solutions

Vanguard Australian Shares Index Fund

The Vanguard Australian Shares Index Fund seeks to track the return of the S&P/ASX 300 Index before taking into account fees, expenses and tax.

The Fund provides low-cost, broadly diversified exposure to Australian companies and property trusts listed on the Australian Securities Exchange. It also offers potential long-term capital growth along with dividend income and franking credits.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, some tax-effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Australian Shares High Yield Fund

The Vanguard Australian Shares High Yield Fund seeks to track the return of the FTSE Australia High Dividend Yield Index before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to companies listed on the Australian Securities Exchange (ASX) that have higher forecast dividends relative to other ASX-listed companies. Security diversification is achieved by restricting the proportion invested in any one industry to 40% of the total Fund and 10% in any one company. Australian Real Estate Investment Trusts (A-REITS) are excluded from the index.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, some tax effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Ethically Conscious Australian Shares Fund

Vanguard Ethically Conscious Australian Shares Fund seeks to track the return of the FTSE Australia 300 Choice Index before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to stocks listed on the Australian Securities Exchange (ASX). The Fund's index excludes the securities of companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons. The index also excludes companies that the index provider determines are involved in controversial conduct related to principles of the United Nations Global Compact.

For further information about the index, including details of the screens and applicable revenue and ownership thresholds for each business segment, please refer to: https://www.vanguard.com.au/FTSE_Global_Choice_Index_Series_Ground_Rules

Diversification requirements are applied at each review to restrict the proportion of the index invested in any one industry to +/-5% of the industry weights of the FTSE Australia 300 Index, subject to any limitation issues resulting from the exclusionary screening.

Investors with Australian dollars, seeking exposure to a diversified portfolio of Australian shares with an ethically conscious screen and with a higher tolerance for the risks associated with share market volatility.

International shares solutions

Vanguard International Shares Index Fund

The Vanguard International Shares Index Fund seeks to track the return of the MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The Fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The Fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Shares Index Fund (Hedged) – AUD Class

The Vanguard International Shares Index Fund (Hedged) – AUD Class seeks to track the return of the MSCI World ex-Australia Index (with net dividends reinvested) hedged into Australian dollars before taking into account fees, expenses and tax.

The Fund provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of international shares that is relatively unaffected by currency fluctuations.

Vanguard Ethically Conscious International Shares Index Fund

Vanguard Ethically Conscious International Shares Index Fund seeks to track the return of the FTSE Developed ex Australia Choice Index (with net dividends reinvested) before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The Fund's index excludes the securities of companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons. The index also excludes companies that the index provider determines are involved in controversial conduct related to principles of the United Nations Global Compact.

For further information about the index, including details of the screens and applicable revenue and ownership thresholds for each business segment, please refer to: https://www.vanguard.com.au/FTSE_Global_Choice_Index_Series_Ground_Rules

The Fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

Buy and hold investors seeking long-term capital growth through exposure to a diversified portfolio of international shares that excludes securities with significant business activities involving fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons, adult entertainment and a conduct related screen based on severe controversies.

Vanguard Ethically Conscious International Shares Index Fund (AUD Hedged)

Ethically Conscious International Shares Index Fund (AUD Hedged) seeks to track the return of the FTSE Developed ex Australia Choice Index (with net dividends reinvested) hedged into Australian dollars (AUD) before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The Fund's index excludes the securities of companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons. The index also excludes companies that the index provider determines are involved in controversial conduct related to principles of the United Nations Global Compact.

For further information about the index, including details of the screens and applicable revenue and ownership thresholds for each business segment, please refer to: www.vanguard.com.au/FTSE_Global_Choice_Index_Series_Ground_Rules

The Fund is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations for Australian investors.

Investors seeking exposure to a diversified portfolio of international shares that is relatively unaffected by currency fluctuations and excludes securities with significant business activities involving fossil fuels, alcohol, tobacco, gambling, military weapons and civilian firearms, nuclear power and adult entertainment.

Vanguard Ethically Conscious International Shares Index Fund –NZD Hedged

Vanguard Ethically Conscious International Shares Index Fund – NZD Hedged seeks to track the return of the FTSE Developed ex Australia Choice Index (with net dividends reinvested) hedged into New Zealand dollars (NZD) before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The Fund's index excludes the securities of companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons. The index also excludes companies that the index provider determines are involved in controversial conduct related to principles of the United Nations Global Compact.

For further information about the index, including details of the screens and applicable revenue and ownership thresholds for each business segment, please refer to: https://www.vanguard.com.au/FTSE_Global_Choice_Index_Series_Ground_Rules

The Fund is hedged to New Zealand dollars so the value of the Fund is relatively unaffected by currency fluctuations for New Zealand investors.

Buy and hold investors seeking long-term capital growth through exposure to a diversified portfolio of international shares that excludes securities with significant business activities involving fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons, adult entertainment and a conduct related screen based on severe controversies.

Vanguard International Shares Select Exclusions Index Fund

The Vanguard International Shares Select Exclusions Index Fund seeks to track the return of the MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) in Australian dollars Index before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The index excludes securities of companies that manufacture cigarettes and other tobacco products, involved in controversial weapons, and/or that manufacture nuclear weapons, manufacture components that were developed or significantly modified for exclusive use in nuclear weapons, or that provide auxiliary services related to nuclear weapons.

For further information about the index, including additional details about the screening

criteria, please refer to:
www.vanguard.com.au/MSCI_World_ex_Australia_ex_Tobacco_ex_Controversial_Weapons_ex_Nuclear_Weapons_Methodology

The Fund may be suitable for investors seeking long-term capital growth, international diversification that excludes investment into tobacco, controversial weapons and nuclear weapons, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Shares Select Exclusions Index Fund – AUD Hedged

Vanguard International Shares Select Exclusions Index Fund – AUD Hedged seeks to track the return of the MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into Australian dollars Index before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The index excludes securities of companies that manufacture cigarettes and other tobacco products, involved in controversial weapons, and/or that manufacture nuclear weapons, manufacture components that were developed or significantly modified for exclusive use in nuclear weapons, or that provide auxiliary services related to nuclear weapons.

For further information about the index, including additional details about the screening criteria, please refer to:
www.vanguard.com.au/MSCI_World_ex_Australia_ex_Tobacco_ex_Controversial_Weapons_ex_Nuclear_Weapons_Methodology

The Fund is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations for Australian investors.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, international diversification that excludes investment into tobacco, controversial weapons and nuclear weapons, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Shares Select Exclusions Index Fund – NZD Hedged

Vanguard International Shares Select Exclusions Index Fund – NZD Hedged seeks to track the return of the MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into New Zealand dollars Index before taking into account fees, expenses and tax.

The Fund provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The index excludes securities of companies that manufacture cigarettes and other tobacco products, involved in controversial weapons, and/or that manufacture nuclear weapons, manufacture components that were developed or significantly modified for exclusive use in nuclear weapons, or that provide auxiliary services related to nuclear weapons.

For further information about the index, including additional details about the screening

criteria, please refer to:
www.vanguard.com.au/MSCI_World_ex_Australia_ex_Tobacco_ex_Controversial_Weapons_ex_Nuclear_Weapons_Methodology

The Fund is hedged to New Zealand dollars so the value of the Fund is relatively unaffected by currency fluctuations for New Zealand investors.

Buy and hold investors seeking long-term capital growth, international diversification that excludes investment into tobacco, controversial weapons and nuclear weapons, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Emerging Markets Shares Index Fund

The Vanguard Emerging Markets Shares Index Fund seeks to track the return of the MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to companies listed in emerging markets, allowing investors to participate in the long-term growth potential typical of these economies. It is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Small Companies Index Fund

The Vanguard International Small Companies Index Fund seeks to track the return of the MSCI World ex-Australia Small Companies Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The Fund provides exposure to small companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential typical of the international small companies sector. The Fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard International Small Companies Index Fund (Hedged)

The Vanguard International Small Companies Index Fund (Hedged) seeks to track the return of the MSCI World ex-Australia Small Cap Index (with net dividends reinvested) hedged into Australian dollars before taking into account fees, expenses and tax.

The Fund provides exposure to small companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential typical of the international small companies sector. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Active Global Growth Fund

The Vanguard Active Global Growth Fund, which is part of the Manager Select Series, is managed by Baillie Gifford. Vanguard Active Global Growth Fund seeks to provide long-term capital appreciation by investing primarily in equity securities.

Managed by Baillie Gifford, the Fund generally invests in 70 -120 well-managed businesses which they believe will enjoy sustainable competitive advantages and have the potential to grow their earnings at a faster rate than the market over the long term.

Baillie Gifford invests across multiple growth profiles to capture growth opportunities that other investors may overlook.

The portfolio is well-diversified, low turnover and differs greatly from the index.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, global diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Active Positive Impact Fund

Vanguard Active Positive Impact Fund managed by Baillie Gifford, aims to outperform the benchmark over the long term. The Fund also aims to contribute towards a more sustainable and inclusive world by investing primarily in the equities of companies whose products and/or services make a positive social or environmental impact.

The Fund is an actively managed portfolio of typically 25 – 50 global companies seeking long term outperformance and positive impact in areas including but not limited to: Social Inclusion and Education, Healthcare and Quality of Life, Environment and Resource Needs and Base of Pyramid (addressing needs of the world’s poorest populations).

Investment ideas are generated from a diverse range of sources, selected using a ‘bottom up’ approach based on fundamental in-house research employing a consistent framework. The impact analysis is carried out independently of the investment case using a rigorous, qualitative framework that is based upon assessing predetermined factors. The investment manager also applies investment restrictions seeking to exclude investments on various norms and revenue-based indicators.

The Fund aims to hold securities for long periods (typically at least 5 years), which generally results in relatively low portfolio turnover and is in line with the Fund’s long-term investment outlook.

Buy and hold investors seeking long-term capital growth, global investments, and with a higher tolerance for the risks associated with share market volatility. Investors seeking to use a portion of their capital to invest in companies whose products and/or services make a positive social or environmental impact.

Vanguard Global Minimum Volatility Fund

The Vanguard Global Minimum Volatility Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

The Fund invests primarily in global equities securities, including Australian equity securities, with the objective of providing lower volatility relative to the global equity market. To reduce volatility, Vanguard constructs a portfolio considering the risk and diversification characteristics of securities in the benchmark and seeks to hedge most of the currency exposure resulting from the Fund's foreign equity holdings back to Australian dollars.

The Fund may be suitable for:

- Investors seeking a diversified, flexible global equity portfolio in a single fund.
- Investors with a focus on risk management.

Vanguard Global Value Equity Fund

Vanguard Global Value Equity Fund seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.

In pursuit of its investment objective, Vanguard uses a proprietary quantitative model to evaluate an investment universe comprised of large, mid and small cap equity securities from developed markets across the world, which includes a diverse representation of companies, market sectors and industry groups. This investment universe is drawn primarily from equity securities included in the FTSE Developed All Cap Index and the Russell 3000 Index.

Vanguard's quantitative model implements a rules-based active approach that aims to assess the factor exposures of securities, favouring equity securities which, when compared to other securities in the investment universe, have lower prices relative to their fundamental measures of value (which measures may include price-to-book or price-to-earnings ratio, price-to-estimated future earnings and price-to-operating cash flow).

The Fund may be suitable for buy and hold investors seeking long-term capital appreciation through exposure to the value factor, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Infrastructure solutions

Vanguard Global Infrastructure Index Fund

The Vanguard Global Infrastructure Index Fund seeks to track the return of the FTSE Developed Core Infrastructure Index (with net dividends reinvested), in Australian dollars, before taking into account fees, expenses and tax.

The Fund provides low-cost access to infrastructure securities listed in developed countries. It offers investors diversified exposure to infrastructure sectors, including transportation, energy and telecommunications. The Fund is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of global infrastructure securities.

Vanguard Global Infrastructure Index Fund (Hedged)

The Vanguard Global Infrastructure Index Fund (Hedged) seeks to track the return of the FTSE Developed Core Infrastructure Hedged into Australian Dollars Index (with net dividends reinvested), before taking into account fees, expenses and tax.

The Fund provides low-cost exposure to infrastructure securities listed in developed countries. It offers investors diversified exposure to infrastructure sectors, including transportation, energy and telecommunications. The Fund is hedged into Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The Fund may be suitable for investors seeking exposure to a diversified portfolio of global infrastructure securities that is relatively unaffected by currency fluctuations.

Diversified index fund solutions

Vanguard Diversified Funds

Vanguard's low-cost multi-sector funds are efficiently managed to provide broad diversification across multiple asset classes through a transparent and tax-efficient portfolio. Each fund has a strong track record in delivering competitive returns through disciplined asset allocation.

Diversification is a powerful strategy for managing traditional risks. Within an asset class (such as equities or bonds), diversification reduces a portfolio's exposure to risks associated with a particular company or sector. Across asset classes, it reduces a portfolio's exposure to the risks of any one class. It cannot eliminate the risk of loss, but it can help to protect against unnecessarily large losses resulting from the underperformance of one portion of the portfolio.

The Diversified Funds leverage Vanguard's international expertise in investment research and utilise a global investment methodology. This approach starts with market capitalisation weightings and from this local market factors are then also considered.

Key benefits

Portfolio diversification: The fund holdings are broadly diversified within and across multiple asset classes, such as Australian and international shares, fixed income and cash. Including a broad range of assets in your portfolio, helps smooth out performance fluctuations over time and is one of the best ways to reduce your exposure to market risk.

Low cost: Vanguard wholesale diversified funds have low management expense ratios of 0.29% p.a. Lower fees mean you get to keep more of your returns, which can help you earn more over time.

Tax efficiency: Vanguard diversified funds typically have lower stock turnover, which helps minimise realised capital gains. Capital gains tax is a tax incurred by the investor as a result of selling securities. The higher your usual marginal tax rate, the more you stand to benefit from a fund's tax efficiency.

Automatic re-balancing: Rebalancing a portfolio simply means adjusting the investments to keep in line with the desired asset allocation. This process is professionally managed by Vanguard for you when you invest in our funds. Rebalancing back to the target asset mix helps to effectively manage risk.

Transparency: Vanguard diversified funds are highly transparent investments that provide investors with full visibility of what they are investing in.

Vanguard's more than 40 years of experience: Access Vanguard's global expertise in asset allocation, rebalancing and portfolio management all in one fund.

Vanguard Diversified Conservative Index Fund *(70% income assets / 30% growth assets)*

The Vanguard Diversified Conservative Index Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Conservative Fund is biased towards income assets, and is designed for investors with a low tolerance for risk. The Fund targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes.

The Fund seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The Fund may be suitable for investors with a short to medium term investment horizon, seeking a steady source of income with some capital growth potential.

Vanguard Diversified Balanced Index Fund *(50% income assets / 50% growth assets)*

The Vanguard Diversified Balanced Index Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Balanced Fund is designed for investors seeking a balance between income and capital growth. The Fund targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes.

The Fund seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The Fund may be suitable for investors with a medium-term investment horizon, seeking a balance between income and capital growth potential.

Vanguard Diversified Growth Index Fund *(30% income assets / 70% growth assets)*

The Vanguard Diversified Growth Index Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Growth Fund is biased towards growth assets and is designed for investors seeking long-term capital growth. The Fund targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes.

The Fund seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, but requiring some diversification benefits of fixed income to reduce volatility.

Vanguard Diversified High Growth Index Fund *(10% income assets / 90% growth assets)*

The Vanguard Diversified High Growth Index Fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The High Growth Fund invests mainly in growth assets and is designed for investors with a high tolerance for risk who are seeking long-term capital growth. The Fund targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes.

The Fund seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The Fund may be suitable for buy and hold investors seeking long-term capital growth, and with a higher tolerance for the risks associated with share market volatility.

Vanguard exchange traded funds

Vanguard exchange traded funds (ETFs) are diversified portfolios of securities constructed using an indexing approach that can be readily traded on the Australian Securities Exchange (ASX). They are one of the most popular and rapidly growing investment solutions around the world.

ETFs combine the low-cost, diversification benefits of index funds with the trading flexibility of shares.

The benefits of Vanguard ETFs

Low cost: ETF fees are usually significantly less than actively managed funds. ETFs are also generally more cost efficient than investing in the same exposure of individually purchased shares.

Diversification: Provides investors with a highly diversified investment with broad exposure to entire markets or indices. ETFs may also be in investments that investors may not be able to access directly on the ASX, such as international shares.

Tax efficiency: The generally low turnover of investments provided by an indexing approach minimises the realised capital gains distribution impact. This improves performance and tax efficiency over the longer term.

Liquidity: Vanguard's ability to create and redeem ETF units on a daily basis ensures an underlying depth of liquidity. Secondary sources of liquidity exist in the volume of trading of the ETF itself and the investment environment it is trading in.

Transparency: Vanguard provides regular information to the market including the daily fund Net Asset Value (NAV) making ETFs a highly transparent investment.

Fixed interest

Vanguard Australian Fixed Interest Index ETF *(ASX code: VAF)*

The Vanguard Australian Fixed Interest Index ETF seeks to track the return of the Bloomberg AusBond Composite 0+ Yr Index before taking into account fees, expenses and tax.

The ETF invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities and treasury corporations, as well as investment-grade corporate issuers. While being low-cost, the ETF also provides some protection against capital volatility. The investments in the ETF are predominantly rated BBB or higher by Standard & Poor's ratings agency or equivalent.

The ETF may be suitable for Investors with a medium-term investment horizon, seeking a steady and reliable income stream.

Vanguard Australian Government Bond Index ETF (ASX code: VGB)

The Vanguard Australian Government Bond Index ETF seeks to track the return of the Bloomberg AusBond Govt

0+ Yr Index before taking into account fees, expenses and tax.

The ETF invests in high-quality, income-generating securities issued by the Commonwealth Government of Australia, Australian State Government authorities, and treasury corporations. While being low-cost, the ETF also provides some protection against capital volatility. The investments in the ETF are predominantly rated AA or higher by Standard & Poor's ratings agency or equivalent.

The ETF may be suitable for investors with a medium-term investment horizon, seeking a steady and reliable income stream.

Vanguard Australian Corporate Fixed Interest Index ETF (ASX code: VACF)

The Vanguard Australian Corporate Fixed Interest Index ETF seeks to track the return of the Bloomberg AusBond Credit 0+Yr Index before taking into account fees, expenses and tax.

The ETF provides investors with low-cost, diversified exposure to Australian corporate bonds. It invests in investment grade bonds issued by corporations including Australia's four largest banks, offshore banks, other lending institutions and property trusts. The benchmark has a shorter duration than the broader composite index but a lower overall credit quality (BBB or higher by Standard & Poor's ratings agency or equivalent) and therefore a higher expected yield.

The ETF may be suitable for investors seeking exposure to a diversified portfolio of Australian corporate fixed interest securities.

Vanguard Global Aggregate Bond Index (Hedged) ETF (ASX code: VBND)

Vanguard Global Aggregate Bond Index (Hedged) ETF seeks to track the return of the Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to high-quality, income-generating securities issued by governments, government-owned entities, government-guaranteed entities, investment-grade corporate issuers and securitised assets from around the world. The investments in the Fund are predominantly rated BBB or higher by Standard & Poor's or equivalent ratings agency. The Fund is hedged to Australian dollars, so the value of the Fund is relatively unaffected by currency fluctuations.

The ETF may be suitable for investors seeking exposure to a diversified portfolio of international fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard International Fixed Interest Index (Hedged) ETF (ASX code: VIF)

Vanguard International Fixed Interest Index (Hedged) ETF seeks to track the return of the Bloomberg Global Treasury Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to high-quality, income-generating securities issued by governments from around the world. The ETF invests in fixed income securities that generally range in credit from BBB to AAA as rated by Standard & Poor's or other equivalent ratings agencies. The ETF is hedged to Australian dollars, so the value of the ETF is relatively unaffected by currency fluctuations.

The ETF may be suitable for investors seeking exposure to a diversified portfolio of international fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard International Credit Securities Index (Hedged) ETF (ASX code: VCF)

Vanguard International Credit Securities Index (Hedged) ETF seeks to track the return of the Bloomberg Global Aggregate Corporate and Government-Related Scaled Index hedged into Australian dollars before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to high-quality, income-generating securities issued by government-owned entities, government-guaranteed entities and investment-grade corporate issuers from around the world. The investments in the ETF are predominantly rated BBB or higher by Standard & Poor's or other equivalent ratings agencies. The ETF is hedged to Australian dollars, so the value of the ETF is relatively unaffected by currency fluctuations.

The ETF may be suitable for investors seeking exposure to a diversified portfolio of international government fixed interest securities that is relatively unaffected by currency fluctuations.

Vanguard Ethically Conscious Global Aggregate Bond Index ETF (Hedged) (ASX code: VEFI)

Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF seeks to track the return of the Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index Hedged into Australian dollars before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to global investment grade securities (securities) including government, government-related, corporate, and securitised fixed rate bonds from both developed and emerging market issuers.

Bloomberg (the Index provider) uses research data supplied by MSCI to construct the Index independently of Vanguard, excluding securities covered by MSCI research. The Index excludes corporate and government-related issuers that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons or adult entertainment. The Index uses MSCI ESG Controversies research to exclude corporate and government-related issuers which MSCI has identified as being directly involved in one or more very severe ongoing ESG controversies through its actions, products or operations. The Index also excludes government and government-related issuers with a MSCI ESG rating below "BBB".

Where MSCI has insufficient or no data available to adequately assess a particular issuer, securities of this issuer may not be excluded. The Index screening process does not review certain securitised assets and company structures. Accordingly, securities issued by non-screened entities may also be contained in the Index. For further information about the Index, including details of the business involvement screens and applicable revenue

thresholds, please refer to:
https://www.vanguard.com.au/Bloomberg_MSCI_Global_Aggregate_SRI_Exclusions_Float_Adjusted_Index

The ETF is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations for Australian investors.

Investors seeking exposure to a diversified portfolio of international fixed interest securities with an ethically conscious screen that is relatively unaffected by currency fluctuations.

Property

Vanguard Australian Property Securities Index ETF (ASX code: VAP)

The Vanguard Australian Property Securities Index ETF seeks to track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.

The ETF provides a low-cost way to invest in property securities listed on the Australian Securities Exchange. The property sectors in which the ETF invests include retail, office, industrial and diversified. The ETF offers potential long-term capital growth and tax-effective income that may include a tax-deferred component.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some tax-effective income, and with a higher tolerance for the risks associated with share market volatility.

Australian shares

Vanguard Australian Shares Index ETF (ASX code: VAS)

The Vanguard Australian Shares Index ETF seeks to track the return of the S&P/ASX 300 Index before taking into account fees, expenses and tax.

The ETF provides low-cost, broadly diversified exposure to Australian companies and property trusts listed on the Australian Securities Exchange. It also offers potential long-term capital growth along with dividend income and franking credits.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some tax-effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Australian Shares High Yield ETF (ASX code: VHY)

The Vanguard Australian Shares High Yield ETF seeks to track the return of the FTSE Australia High Dividend Yield Index before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to companies listed on the Australian Securities Exchange (ASX) that have higher forecast dividends relative to other ASX-listed companies. Security diversification is achieved by restricting the proportion invested in any one industry to 40% of the total ETF and 10% for any one company. Australian Real Estate Investment Trusts (A-REITS) are excluded from the index.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some tax effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard MSCI Australian Large Companies Index ETF (ASX code: VLC)

The Vanguard MSCI Australian Large Companies Index ETF seeks to track the return of the MSCI Australian Shares Large Cap Index before taking into account fees, expenses and tax.

The ETF provides low-cost, diversified exposure to the largest companies and property trusts listed on the Australian Securities Exchange. It offers potential long-term capital growth along with dividend income and franking credits.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some tax-effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard MSCI Australian Small Companies Index ETF (ASX code: VSO)

The Vanguard MSCI Australian Small Companies Index ETF seeks to track the return of the MSCI Australian Shares Small Cap Index before taking into account fees, expenses and tax.

The ETF provides low-cost, broadly diversified exposure to small companies listed on the Australian Securities Exchange. The sectors in which the ETF invests include industrials, materials and consumer discretionary. The ETF offers potential long-term capital growth, which can be typical of the small company market sector.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some tax-effective income, and with a higher tolerance for the risks associated with share market volatility.

Vanguard Ethically Conscious Australian Shares ETF (ASX code: VETH)

Vanguard Ethically Conscious Australian Shares ETF seeks to track the return of the FTSE Australia 300 Choice Index before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to stocks listed on the Australian Securities Exchange (ASX). The ETF's index excludes the securities of companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons. The index also excludes companies that the index provider determines are involved in controversial conduct related to principles of the United Nations Global Compact.

For further information about the index, including details of the screens and applicable revenue and ownership thresholds for each business segment, please refer to: https://www.vanguard.com.au/FTSE_Global_Choice_Index_Series_Ground_Rules

Diversification requirements are applied at each review to restrict the proportion of the index invested in any one industry to +/-5% of the industry weights of the FTSE Australia 300 Index, subject to any limitation issues resulting from the exclusionary screening.

Investors with Australian dollars, seeking exposure to a diversified portfolio of Australian shares with an ethically conscious screen and with a higher tolerance for the risks associated with share market volatility.

International shares

Vanguard MSCI Index International Shares ETF (ASX code: VGS)

The Vanguard MSCI Index International Shares ETF seeks to track the return of the MSCI World ex-Australia (with net dividends reinvested), in Australian dollars Index, before taking into account fees, expenses and tax.

The ETF provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The ETF is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard MSCI Index International Shares (Hedged) ETF (ASX code: VGAD)

The Vanguard MSCI Index International Shares (Hedged) seeks to track the return of the MSCI World ex-Australia (with net dividends reinvested), hedged into Australian dollars Index, before taking into account fees, expenses and tax.

The ETF provides exposure to many of the world's largest companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential of international economies outside Australia. The ETF is hedged to Australian dollars so the return (income and capital appreciation) of the ETF is relatively unaffected by currency fluctuations.

The ETF may be suitable for investors seeking exposure to a diversified portfolio of international shares that is relatively unaffected by currency fluctuations.

Vanguard Ethically Conscious International Shares Index ETF (ASX code: VESG)

Vanguard Ethically Conscious International Shares Index ETF seeks to track the return of the FTSE Developed ex Australia Choice Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The ETF provides low-cost access to a broadly diversified range of securities listed on the exchanges of the world's major developed economies. The ETF's index excludes the securities of companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons. The index also excludes companies that the index provider determines are involved in controversial conduct related to principles of the United Nations Global Compact.

For further information about the index, including details of the screens and applicable

revenue and ownership thresholds for each business segment, please refer to:
https://www.vanguard.com.au/FTSE_Global_Choice_Index_Series_Ground_Rules

Buy and hold investors seeking long-term capital growth through exposure to a diversified portfolio of international shares that excludes securities with significant business activities involving fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons, adult entertainment and a conduct related screen based on severe controversies.

Vanguard FTSE Emerging Markets Shares ETF (ASX code: VGE)

The Vanguard FTSE Emerging Markets Shares ETF seeks to track the return of the FTSE Emerging Markets All Cap China A Inclusion Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to companies listed on emerging markets, allowing investors to participate in the long-term growth potential typical of these economies. It is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard MSCI International Small Companies Index ETF (ASX code: VISM)

The Vanguard MSCI International Small Companies Index ETF seeks to track the return of the MSCI World ex-Australia Small Companies Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

The ETF provides exposure to small companies listed in major developed countries. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in the long-term growth potential typical of the international small companies sector. The ETF is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard All-World ex-US Shares Index ETF (ASX code: VEU)

The Vanguard All-World ex-US Shares Index ETF seeks to track the return of the FTSE All-World ex US Index before taking into account fees, expenses and tax.

The ETF provides exposure to many of the world’s largest companies listed in major developed and emerging countries outside the US. It offers low-cost access to a broadly diversified range of securities, industries and economies. The ETF is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard US Total Market Shares Index ETF (ASX code: VTS)

The Vanguard US Total Market Shares Index ETF seeks to track the return of the CRSP US Total Market Index providing investors with exposure to a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics.

The ETF provides exposure to some of the world's largest companies listed in the United States. It offers low-cost access to a broadly diversified range of securities that allows investors to participate in their long-term growth potential. The ETF is exposed to the fluctuating values of the US currency, as there will not be any hedging to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard FTSE Europe Shares ETF (ASX code: VEQ)

The Vanguard FTSE Europe Shares ETF seeks to track the return of the FTSE Developed Europe All Cap Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to securities listed in major European markets. The ETF is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Vanguard FTSE Asia ex Japan Shares Index ETF (ASX code: VAE)

The Vanguard FTSE Asia ex Japan Shares Index ETF seeks to track the return of the FTSE Asia Pacific ex Japan, Australia and New Zealand Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

The ETF provides low-cost exposure to securities listed in Asia excluding Japan, Australia and New Zealand. The ETF is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, international diversification and who have a higher tolerance for the risks associated with developing Asian economies.

Vanguard Global Minimum Volatility Active ETF (Managed Fund) (ASX code: VMIN)

The Vanguard Global Minimum Volatility Active ETF seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

The ETF invests primarily in global equities securities, including Australian equity securities, with the objective of providing lower volatility relative to the global equity market. To reduce volatility, Vanguard constructs a portfolio considering the risk and diversification characteristics of securities in the benchmark and seeks to hedge most of the currency exposure resulting from the ETF's foreign equity holdings back to Australian dollars.

The ETF may be suitable for:

- Investors seeking a diversified, flexible global equity portfolio in a single fund.
- Investors with a focus on risk management.

Vanguard Global Value Equity Active ETF (Managed Fund) (ASX code: VVLU)

The Vanguard Global Value Equity Active ETF (Managed Fund) seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.

In pursuit of its investment objective, Vanguard uses a proprietary quantitative model to evaluate an investment universe comprised of large, mid and small cap equity securities from developed markets across the world, which includes a diverse representation of companies, market sectors and industry groups. This investment universe is drawn primarily from equity securities included in the FTSE Developed All Cap Index and the Russell 3000 Index.

Vanguard's quantitative model implements a rules-based active approach that aims to assess the factor exposures of securities, favouring equity securities which, when compared to other securities in the investment universe, have lower prices relative to their fundamental measures of value (measures may include price-to-book, price-to-earnings ratio and price-to-operating cash flow).

The ETF may be suitable for buy and hold investors seeking outperformance against the index through exposure to the value factor, long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.

Infrastructure

Vanguard Global Infrastructure Index ETF (ASX code: VBLD)

The Vanguard Global Infrastructure Index ETF seeks to track the return of the FTSE Developed Core Infrastructure Index (with net dividends reinvested), in Australian dollars, before taking into account fees, expenses and tax.

The ETF provides low-cost access to infrastructure securities listed in developed countries. It offers investors diversified exposure to infrastructure sectors, including transportation, energy and telecommunications. The ETF is exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.

The ETF may be suitable for investors seeking exposure to a diversified portfolio of global infrastructure securities.

Diversified

Vanguard Diversified ETFs

Vanguard Diversified Index ETFs provide low-cost, broad diversification across multiple asset classes through a transparent and tax-efficient portfolio.

All four Diversified Index ETFs harness the diversification benefits of Vanguard's index funds to offer exposure to over 10,000 securities in each ETF. As a separate share class of a larger pool of assets, each ETF has the same asset class exposures as their respective wholesale Diversified Funds.

Low fees can be one of the most effective ways to help your clients grow their portfolios. Vanguard Diversified Index ETFs have a management expense ratio of 0.27% p.a. which means investors may pay as little as $2.70 a year for every $1000 they invest.

Key benefits

Portfolio diversification: The ETF holdings are broadly diversified within and across multiple asset classes, such as Australian and international shares, fixed income and cash. Including a broad range of assets in your portfolio, helps smooth out performance fluctuations over time and is one of the best ways to reduce your exposure to market risk.

Low cost: Vanguard Diversified Index ETFs have low management expense ratios of 0.27% p.a. Lower fees mean you get to keep more of your returns, which can help you earn more over time.

Tax efficiency: Vanguard ETFs typically have lower stock turnover, which helps minimise realised capital gains. Capital gains is a tax incurred by the investor as a result of selling securities. The higher your usual marginal tax rate, the more you stand to benefit from an ETF's tax efficiency.

Automatic re-balancing: Rebalancing a portfolio simply means adjusting the investments to keep in line with the desired asset allocation. This process is professionally managed by Vanguard for you when you invest in our ETFs. Rebalancing back to the target asset mix helps effectively manage risk.

Ease of access: ETFs can be bought and sold on the ASX as quickly and easily as buying shares, with real time pricing.

Transparency: Vanguard Diversified Index ETFs are highly transparent investments that provide investors with full visibility of what they are investing in.

Vanguard's more than 40 years of experience: Access Vanguard's global expertise in asset allocation, rebalancing and portfolio management all in one ETF.

Vanguard Diversified Conservative Index ETF (ASX code: VDCO) *(70% income assets / 30% growth assets)*

Vanguard Diversified Conservative Index ETF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The ETF provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Conservative ETF is biased towards income assets and is designed for investors with a low tolerance for risk. The ETF targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes.

The ETF may be suitable for investors with a short to medium term investment horizon, seeking a steady source of income with some capital growth potential.

Vanguard Diversified Balanced Index ETF (ASX code: VDBA) *(50% income assets / 50% growth assets)*

The Vanguard Balanced Index ETF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The ETF provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Balanced ETF is designed for investors seeking a balance between income and capital growth. The ETF targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes.

The ETF may be suitable for investors with a medium-term investment horizon, seeking a balance between income and capital growth potential.

Vanguard Diversified Growth Index ETF (ASX code: VDGR) *(30% income assets / 70% growth assets)*

The Vanguard Growth Index ETF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The ETF provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The Growth ETF is biased towards growth assets and is designed for investors seeking long-term capital growth. The ETF targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, but requiring some diversification benefits of fixed income to reduce volatility.

Vanguard Diversified High Growth Index ETF (ASX code: VDHG) *(10% income assets / 90% growth assets)*

The Vanguard High Growth Index ETF seeks to track the weighted average return of the various indices of the underlying funds in which it invests, in proportion to the Strategic Asset Allocation, before taking into account fees, expenses and tax.

The ETF provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The High Growth ETF invests mainly in growth assets and is designed for investors with a high tolerance for risk who are seeking long-term capital growth. The ETF targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes.

The ETF may be suitable for buy and hold investors seeking long-term capital growth, and with a higher tolerance for the risks associated with share market volatility.

Investors may incur brokerage, or a bid ask spread may apply where buying and selling ETFs on ASX.

Investment considerations and risks

All investments have some level of risk. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy. The value of the investments may go up and down, investment returns are not guaranteed and investors may lose some of their money. The level of returns may vary and future returns may differ from past returns. Laws affecting registered managed investment schemes may change in the future.

The appropriate level of risk for each person depends on a range of factors, including age, investment time frame, where other parts of the investor's wealth are invested and the investor's risk tolerance. There is no guarantee that the value of an initial investment will be maintained meaning the value of an investment may rise or fall. Significant investment risks may include:

Market risk

Market risk is the possibility that market returns will overall decline. Financial markets tend to move in cycles, with periods of rising prices and periods of falling prices. It is important to note that the value of your investment can be directly or indirectly impacted and that you may not get back what you invested in the Fund.

Interest rate risk

The value of fixed income securities held by the underlying funds may fluctuate as a result of changes in market interest rates. Generally, fixed income security values may fall when market interest rates rise. Conversely, when market interest rates fall, fixed income security values may rise. The degree of change varies depending on the term of the securities. Longer term securities are generally more impacted by interest rate risk than short term securities.

Security specific risk

The prices of securities the fund invests in, either directly or indirectly (through a holding in another investment vehicle) can rise or fall independently of changes in the broad market. Funds are generally well protected from security specific risk through diversifying their holdings across a wide selection of available securities in the index.

Derivative risk

A derivative is a contract between two or more parties that derives its price from one or more underlying assets, reference rates or indexes. Derivatives are generally used as an instrument to gain market exposure or to hedge risk; however, they also create exposure to additional risks. These additional risks include the possibility that the value of the derivative may fail to move in line with the underlying asset, the potential lack of liquidity of the derivative, or that the parties to the derivative contract may not be able to meet their obligations. Derivative contracts are not used to leverage the assets of the Funds.

Credit risk

The issuer of fixed interest or debt securities may fail to pay interest and principal in a timely manner, or negative perceptions of the issuer's ability to make such payments may cause the price, and therefore value, of those securities to decline.

Counterparty risk

The risk that a Fund may incur a loss due to the failure of a counterparty to meet their obligations under a contract. The Funds' counterparties may include brokers, clearing houses and other agents.

Currency risk

There is the chance that the value of a foreign investment, measured in Australian dollars, will decrease because of unfavourable changes in currency exchange rates.

There is the chance that the value of a foreign investment, measured in Australian dollars, will decrease because of unfavourable changes in currency exchange rates. The Funds mitigate currency risk by utilising forward foreign exchange contracts to hedge currency exposure.

Investors should be aware that currency hedging involves costs and implementation risks due to the volatility of currency and securities markets and may impact distributions from the Funds. When the Australian dollar is appreciating relative to other currencies, the gains from currency hedging may result in significant additional income being distributed by the Funds. Conversely, when the Australian dollar is depreciating relative to other currencies, the losses from currency hedging can totally offset other income received by the Funds, resulting in no income distribution for the period.

Liquidity risk

The risk that an investment manager's ability to invest and liquidate the assets may, from time to time, be restricted by the liquidity of the market for those securities. This may in turn cause the delay in payment of withdrawals; or, in the case of applications, the delay in acquiring those securities could adversely impact the performance of the Funds.

Regulatory risk

There is a risk that the Funds may be adversely impacted by a change in laws and regulations governing a security, sector or financial market, including in relation to tax. Regulatory risk may be higher when investing internationally due to the nature and actions of particular legal systems and/or regimes in effect.

Fund risk

Managed funds, in simple terms, pool the money of many individual investors. Therefore, investing in a managed fund may give rise to different outcomes as compared to investing in the underlying securities directly. For investors in the Funds, investment returns may be impacted by the applications and withdrawals of other investors, the fees and costs imposed by the fund manager and different tax outcomes related to the tax laws applicable to the

Funds. In addition, there is a risk that Vanguard could be replaced as the responsible entity and/or investment manager for the Funds, or the Funds could terminate.

Manager risk

The Funds may fail to meet their investment objective due to Vanguard's (including the entities it has appointed to provide investment management services) investment selection or implementation processes which may cause the Funds to underperform their benchmark or other funds with a similar investment strategy.

Operational risk

There is a risk that Vanguard, or another service provider, will fail to adequately administer or report accurately in relation to investments in the Funds or Vanguard Personal Investor. There is also a risk that circumstances beyond Vanguard's control may prevent it from managing the Funds in accordance with its investment strategy or impact Vanguard's operation of Vanguard Personal Investor. Such occurrences may include strikes, industrial disputes, fires, war, civil disturbance, terrorist acts, state emergencies and epidemics in Australia or in other countries where the underlying securities are held.

Emerging markets risk

Emerging markets are typically considered more volatile than developed markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets.

Investment style risk

The chance that returns from the types of securities in which the Funds invests will trail returns from the overall equity market. Certain Funds are managed in accordance with a particular investment style. Focusing primarily on one particular investment style (e.g. value or growth) to the exclusion of others may create risk in certain circumstances. For example, if a particular focus is placed on growth investing at a time when this investment style is out of favour in the marketplace, increased volatility and lower short-term returns may result.

Concentration risk

From time to time, securities that rate highly in terms of their exposure to the Funds' objective may be more heavily concentrated in particular countries and/or industries/sectors due to characteristics of those countries or industries/sectors at the particular time. Accordingly, the extent to which the Funds will have exposure to specific countries or industries/sectors may vary from time to time and may occasionally be significant. Unfavourable economic and market conditions impacting a particular country or industry/sector may therefore adversely affect the value of the Funds where the Funds have, at the particular time, a concentrated exposure to the country or industry/sector in question.

Model risk

There is a chance that the factors used to build portfolios (i.e. our definition of “value” or risk factors to identify minimum volatility) will produce intended or unintended returns sequences that do not match alternative definitions of value or minimum volatility.

Service interruption risk

Vanguard Personal Investor is an online investment service. There may be times when the service is not available or operates with limited functionality and investors may not be able to buy or sell investments or transfer money to or from their Personal Investor Account in a timely manner. We have appropriate controls in place to mitigate these risks and may provide alternative means of transacting or transferring money, however Vanguard is not responsible for any loss incurred should an investor be unable to perform transactions during a period of service interruption.

Additional investment considerations and risks for exchange traded funds

Trading risk

In certain circumstances, the ASX may suspend the trading of ETF units and therefore investors will not be able to buy or sell ETF units on the ASX.

The ASX also imposes certain requirements for ETF units to continue to be quoted. Vanguard will endeavour to meet these requirements at all times to ensure the ETF units remain quoted.

Although the ETF units are quoted on the AQUA market of the ASX, there can be no assurances that there will always be a liquid market. Vanguard has appointed market makers to assist in maintaining liquidity for the ETFs on the ASX.

The trading price is dependent on several factors, including the demand and supply of units, investor confidence as well as the value of the underlying securities.

For additional information about investment considerations and risks relating to Vanguard’s index funds and ETFs, please refer to the Vanguard Wholesale Funds Product Disclosure Statements and the Vanguard ETF Product Disclosure Statements available at www.vanguard.com.au

Managed funds fees and commissions

Vanguard Wholesale Funds

The management fees each year and the buy/sell spread for Vanguard's Wholesale Funds are shown in the accompanying table.

	Management fee p.a. (%)	Indirect* costs p.a. (%)	Buy† spread (%)	Sell† spread (%)	Transaction† Costs p.a. (%)
Cash solutions					
Vanguard Cash Reserve Fund	0.15	Nil	Nil	Nil	Nil
Fixed interest solutions					
Vanguard Short-Term Fixed Interest Fund‡	0.19	Nil	0.02	0.02	Nil
Vanguard Australian Fixed Interest Index Fund	0.19	Nil	0.08	0.08	Nil
Vanguard Australian Government Bond Index Fund	0.24	Nil	0.06	0.06	Nil
Vanguard Australian Inflation-Linked Bond Index Fund	0.29	Nil	0.15	0.15	Nil
Vanguard Australian Corporate Fixed Interest Index Fund	0.24	Nil	0.12	0.12	Nil
Vanguard Global Aggregate Bond Index Fund (Hedged)	0.24	Nil	0.13	0.13	Nil
Vanguard International Fixed Interest Index Fund (Hedged)	0.26	Nil	0.08	0.08	Nil
Vanguard International Credit Securities Index Fund (Hedged)	0.32	Nil	0.18	0.18	Nil
Vanguard Active Global Credit Bond Fund	0.40	Nil	0.39	Nil	0.08
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – AUD Class	0.28	Nil	0.13	0.13	Nil
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) – NZD Hedged	0.28	Nil	0.13	0.13	Nil

Vanguard Diversified Bond Index Fund	0.29	Nil	0.12	0.12	Nil
Property solutions					
Vanguard Australian Property Securities Index Fund	0.23	Nil	0.06	0.06	Nil
Vanguard International Property Securities Index Fund	0.40	Nil	0.07	0.07	Nil
Vanguard International Property Securities Index Fund (Hedged)	0.43	0.03	0.08	0.08	Nil
Australian shares solutions					
Vanguard Australian Shares Index Fund	0.16	Nil	0.05	0.05	Nil
Vanguard Australian Shares High Yield Fund	0.35	Nil	0.05	0.05	Nil
Vanguard Ethically Conscious Australian Shares Fund	0.20	0.01	0.06	0.06	Nil
International shares solutions					
Vanguard International Shares Index Fund	0.18	Nil	0.06	0.06	Nil
Vanguard International Shares Index Fund (Hedged) – AUD Class	0.21	Nil	0.07	0.07	Nil
Vanguard Ethically Conscious International Shares Index Fund	0.20	Nil	0.07	0.07	Nil
Vanguard Ethically Conscious International Shares Index Fund (AUD Hedged)	0.23	Nil	0.09	0.09	Nil
Vanguard Ethically Conscious International Shares Index Fund (NZD Hedged)	0.26	Nil	0.10	0.10	Nil
Vanguard International Shares Select Exclusions Index Fund	0.20	Nil	0.07	0.07	0.02
Vanguard International Shares Select Exclusions	0.23	Nil	0.10	0.10	Nil

Index Fund – AUD Hedged					
Vanguard International Shares Select Exclusions Index Fund – NZD Hedged	0.26	Nil	0.08	0.08	Nil
Vanguard Emerging Markets Shares Index Fund	0.56	0.01	0.22	0.22	Nil
Vanguard International Small Companies Index Fund	0.39	0.01	0.12	0.12	Nil
Vanguard International Small Companies Index Fund (Hedged)	0.42	0.01	0.15	0.15	Nil
Vanguard Active Global Growth Fund§	0.6825 (maximum fee)	Nil	0.12	0.12	Nil
Vanguard Active Positive Impact Fund	0.79	Nil	0.20	0.20	0.05
Vanguard Global Minimum Volatility Fund	0.35	Nil	0.12	0.12	0.10
Vanguard Global Value Equity Fund	0.35	0.01	0.08	0.08	Nil
Infrastructure solutions					
Vanguard Global Infrastructure Index Fund	0.49	Nil	0.06	0.06	Nil
Vanguard Global Infrastructure Index Fund (Hedged)	0.52	0.03	0.07	0.07	Nil
Diversified index fund solutions					
Vanguard Diversified Conservative Index Fund	0.29	Nil	0.10	0.10	Nil
Vanguard Diversified Balanced Index Fund	0.29	Nil	0.10	0.10	Nil
Vanguard Diversified Growth Index Fund	0.29	Nil	0.09	0.09	Nil
Vanguard Diversified High Growth Index Fund	0.29	Nil	0.08	0.08	Nil

* Indirect costs are based on the financial year ended 30 June 2023 and to the extent necessary are estimated by Vanguard using reasonable assumptions.

† The buy/sell spread is a reasonable estimate of transaction costs. There may be circumstances where buy/sell spreads are lower or higher. Please see PDS for further details.

‡ On 1 October 2020, the Vanguard Cash Plus Fund was renamed as the Vanguard Short Term Fixed Interest Fund.

† Transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders.

§ This is the maximum management fee that will be charged per annum for investing in this Fund. A variable Performance Fee is included as a component of the total management fee The Performance Fee is a capped positive or negative fee which is applied on a sliding scale depending on how the Fund performs relative to its benchmark on a three-year rolling basis.

If the Fund outperforms its benchmark, the Performance Fee increases proportionately by the rate set out in the Product Disclosure Statement. Conversely, if the Fund underperforms its benchmark the Performance Fee decreases proportionately by the same rate.

Management costs

Management costs comprise the fees and costs that a unitholder incurs by investing in a Fund. Management costs are made up of Vanguard's management fee that is deducted from the assets of the Funds and may include indirect costs. The management costs shown do not include any potential extraordinary expenses. In addition, management costs do not include transactional and operational costs i.e. costs associated with investing the underlying assets, some of which may be recovered through buy/sell spreads.

Buy/sell spreads

Vanguard may include a buy spread component in the purchase price and a sell spread component in the withdrawal price. The buy/sell spread for each fund is Vanguard's reasonable estimate of the transaction costs that the fund may incur to buy and sell assets when investing applications and funding withdrawals and is not separately charged to the investor. The buy/sell spreads are retained in the funds to meet these expenses and are not received by Vanguard.

Adviser commissions

Vanguard does not have any adviser commissions built into its fee structure.

Performance Fees

Applicable to the Vanguard Active Global Growth Fund.

A variable Performance Fee is included as a component of the total management fee. The Performance Fee is a capped positive or negative fee applied on a sliding scale depending on how a Fund performs relative to its benchmark on a three-year rolling basis. If a Fund outperforms its benchmark, the Performance Fee increases proportionately by the rate set out in the Product Disclosure Statement. Conversely, if a Fund underperforms its benchmark the Performance Fee decreases proportionately by the same rate.

ETFs fees and commissions

The management costs each year for Vanguard's exchange-traded funds are shown in the accompanying table.

ASX code	Exchange Traded Fund	Management fees p.a. (%)	Indirect costs* p.a. (%)	Transaction† costs p.a (%)
	Fixed Interest			
VAF	Vanguard Australian Fixed Interest Index ETF	0.10	Nil	Nil
VGB	Vanguard Australian Government Bond Index ETF	0.16	Nil	Nil
VACF	Vanguard Australian Corporate Fixed Interest Index ETF	0.20	Nil	Nil
VBND	Vanguard Global Aggregate Bond Index (Hedged) ETF	0.20	Nil	Nil
VIF	Vanguard International Fixed Interest Index (Hedged) ETF	0.20	Nil	Nil
VCF	Vanguard International Credit Securities Index (Hedged) ETF	0.30	Nil	Nil
VEFI	Vanguard Ethically Conscious Global Bond Index (Hedged) ETF	0.26	Nil	Nil
	Property			
VAP	Vanguard Australian Property Securities Index ETF	0.23	Nil	Nil
	Australian shares			
VAS	Vanguard Australian Shares Index ETF	0.07	Nil	Nil
VHY	Vanguard Australian Shares High Yield ETF	0.25	Nil	Nil
VLC	Vanguard MSCI Australian Large Companies Index ETF	0.20	Nil	Nil
VSO	Vanguard MSCI Australian Small Companies Index ETF	0.30	Nil	0.01
VETH	Vanguard Ethically Conscious Australian Shares ETF	0.16	0.01	Nil
	International shares			
VGS	Vanguard MSCI Index International Shares ETF	0.18	Nil	Nil
VGAD	Vanguard MSCI Index International Shares (Hedged) ETF	0.21	Nil	Nil
VESG	Vanguard Ethically Conscious International Shares Index ETF	0.18	Nil	Nil
VGE	Vanguard FTSE Emerging Markets Shares ETF	0.48	Nil	Nil
VISM	Vanguard MSCI International Small Companies Index ETF	0.32	0.01	Nil
VEU	Vanguard All-World ex-US Shares Index ETF	0.08	N/a	N/a
VTS	Vanguard US Total Market Shares Index ETF	0.03	N/a	N/a

VEQ	Vanguard FTSE Europe Shares ETF	0.35	Nil	Nil
VAE	Vanguard FTSE Asia ex Japan Shares Index ETF	0.40	Nil	0.01
VMIN	Vanguard Global Minimum Volatility Active ETF (Managed Fund)	0.28	Nil	0.06
VVLU	Vanguard Global Value Equity Active ETF (Managed Fund)	0.28	0.01	0.01
	Infrastructure			
VBLD	Vanguard Global Infrastructure Index ETF	0.47	Nil	Nil
	Diversified			
VDCO	Vanguard Diversified Conservative Index ETF	0.27	Nil	Nil
VDBA	Vanguard Diversified Balanced Index ETF	0.27	Nil	Nil
VDGR	Vanguard Diversified Growth Index ETF	0.27	Nil	Nil
VDHG	Vanguard Diversified High Growth Index ETF	0.27	Nil	Nil

* Indirect costs are based on the financial year end 30 June 2023 and to the extent necessary are estimated by Vanguard using reasonable assumptions.

† Transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders.

ETF brokerage and bid/ask spreads

Investors may incur brokerage fees, commissions and a bid/ask spread (being the difference between the price at which participants are willing to buy and sell ETF units on the ASX) when buying and selling ETF securities on the ASX. The amount of this fee varies from broker to broker and can depend on the platform through which the transaction is made.

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