



Vanguard Investor Funds

This Product Disclosure Statement (**PDS**) is for the Vanguard Investor Funds (**Funds**) listed in the table below. This PDS is issued by Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227 263 (Vanguard, we, us or our), the responsible entity of the Funds.

Cash Fund	ARSN	ABN	APIR Code
Vanguard Investor Cash Plus Fund	090 995 887	64 380 598 371	VAN0100AU
Asset Sector Index Funds			
Vanguard Index Diversified Bond Fund	090 995 841	96 491 646 070	VAN0101AU
Vanguard Index Australian Shares Fund	090 995 770	38 931 692 506	VAN0010AU
Vanguard High Yield Australian Shares Fund	109 638 379	19 060 820 283	VAN0017AU
Vanguard Index Australian Property Securities Fund	090 995 494	99 571 736 269	VAN0012AU
Vanguard Index International Shares Fund	090 995 583	42 389 448 403	VAN0011AU
Vanguard Index Hedged International Shares Fund	095 375 894	66 256 805 696	VAN0107AU
Diversified Index Funds			
Vanguard LifeStrategy [®] Conservative Fund	090 996 044	68 558 424 817	VAN0013AU
Vanguard LifeStrategy [®] Balanced Fund	103 186 607	31 948 445 348	VAN0124AU
Vanguard LifeStrategy [®] Growth Fund	090 996 099	73 804 372 624	VAN0014AU
Vanguard LifeStrategy [®] High Growth Fund	090 995 967	38 087 357 469	VAN0015AU

The information provided in this PDS is general information only and does not take into account your personal objectives, financial situation or needs. You should consider whether the information in the PDS is appropriate to your circumstances and obtain financial advice that is tailored to your personal circumstances from a licensed financial adviser.

Information in this PDS is current as at its issue date and may change from time to time. Where the changes are not materially adverse to investors, the information may be updated on the Vanguard website at www.vanguard.com.au. A paper copy of any updated information is available free of charge on request.

All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia or to anyone whom it would not be lawful to make such an offer. Applications from outside Australia will not be accepted through this PDS. For the avoidance of doubt, units in the Funds are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

None of The Vanguard Group, Inc. (including Vanguard Investments Australia Ltd) or any of their related entities, directors or officers guarantee the repayment of capital or the performance of the Funds. The Vanguard Group, Inc. (including its related entities and associates) may invest in, lend to or provide other services to the Funds. Vanguard may also invest, lend to, or provide services to funds or accounts owned or managed by its related entities or perform services to clients who have appointed Vanguard as investment manager. The allocation of aggregated investments amongst various funds and accounts will be conducted by Vanguard and its related entities in accordance with appropriate policies and procedures to manage any conflicts of interest.

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Investing with Vanguard

About Vanguard

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 more than AUD \$6.8 trillion in assets under management as of 30 June 2018. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

Benefits of investing with Vanguard

Stability and experience

The Vanguard Group, Inc. established the world's first index mutual fund for individual investors in 1976 and has been a leader in low cost index investing ever since. In Australia, Vanguard leverages the scale, experience and resources of our established global business. Investing in the Funds allows you to access the knowledge and skill of Vanguard as a specialist investment manager.

Client focus

The Vanguard Group, Inc. was founded on a simple but revolutionary idea - that an investment company should manage the funds it offers in the sole interest of its clients. From rigorous risk management to transparent pricing to plain talk communications, we put our clients' interests first.

Low costs

Investors can't control the markets, but they can control the costs of investing. Providing low cost investments isn't a pricing strategy for us. It's how we do business. Vanguard's scale also helps to keep costs low.

Indexing and its benefits

What is an index?

An index measures the performance or change in value of a particular group of securities, such as shares, bonds or other investments, over a period of time. Today, there are indices measuring investment results of all major markets and asset classes.

What are index funds?

Investors can invest in securities indirectly through managed funds, in which a professional manager chooses and monitors a portfolio of securities.

Index funds are managed funds that are structured to deliver investment returns that closely match the return of selected indices. An index fund aims to generate a return as similar as possible to that of a particular index: it achieves this by effectively replicating the index, either by holding all of the securities included in the index or a representative sample of these securities.

The value or return of an index fund typically goes up or down in line with the market. Because indices change very infrequently, index funds by their nature are 'buy-and-hold' investments, a strategy that generally results in low portfolio turnover.

Unlike indices - which are theoretical measures - index funds will incur actual costs in assembling portfolios, for instance, brokerage. While index funds seek to minimise these costs, they usually result in the returns of index funds being less than the returns of the relevant indices.

About the Funds

The Funds are registered managed investment schemes. When you contribute money to a registered managed investment scheme, your money is pooled together with other people's money. Vanguard invests that money and manages the assets of the Funds on behalf of all scheme members. The Australian Securities and Investments Commission (ASIC) has a website www.moneysmart.gov.au that has more information about managed investment schemes.

A Fund is divided into units. As an investor, you acquire units in a Fund. A unit represents a beneficial interest in the assets of a Fund as a whole (but not to a particular asset).

Classes of units

All Funds in this PDS currently have a single class of units. Vanguard may create additional classes of units for certain Funds in the future. This PDS relates to the retail class of units for each of the Funds.

How Vanguard invests

While aiming to achieve the objective of a Fund, Vanguard aims to minimise the transaction costs associated with managing cash flows and making adjustments for index or benchmark changes.

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Funds or their Underlying Funds may maintain a variable balance of cash. To effectively manage this cash, a Fund may invest in (directly or through another Vanguard Fund) cash equivalent instruments that aim to preserve capital and provide liquidity.

Cash equivalent instruments include, but are not limited to, high quality short-term money market instruments and short dated debt securities such as government issued securities, government-related (semi-government) issued securities and repurchase agreements, where a high quality government or government related security is received or provided as collateral for the term of the agreement.

Derivative financial instruments

A Fund or their underlying funds may utilise over-the-counter and exchange traded derivatives such as futures, forwards and swaps, to help achieve its investment objective. Derivative financial instruments may be used for the purposes of maintaining Fund liquidity and managing market exposure. Derivative financial instruments will not be used to leverage the assets of the Funds or their underlying funds.

Borrowings

While the Funds' (or their Underlying Funds¹) constitutions permit borrowing, Vanguard does not currently intend to borrow for the purposes of gearing. A Fund will only borrow where Vanguard believes it is in the best interests of investors to do so.

Investment objectives and policy

Vanguard may from time to time vary the investment objective and policy of any Fund. Such variations may include changes to the target index or benchmark chosen for each Fund. Vanguard will notify investors of any such changes.

Securities lending

The Underlying Funds that invest in equity securities may engage in securities lending. Securities lending is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. For the relevant Underlying Funds, Vanguard employs a value-oriented approach to securities lending which seeks to capture a scarcity premium by lending hard-to-borrow securities or 'specials'. Due to the higher fees charged per loan, higher returns can be generated with a lower level of securities lent. This is a more conservative approach that generally results in only a small percentage of the relevant Fund's securities being lent. This amount will be capped at a maximum of 7.5%.

Vanguard has appointed an external agent lender to facilitate the lending of securities on behalf of the relevant Underlying Funds to a select group of borrowers (banks and broker-dealers). This group of borrowers has been pre-approved in accordance with Vanguard's Global Securities Lending credit policies and limits. Each borrower is required to provide a minimum amount of collateral which is generally limited to high quality sovereign debt (or equivalent) and equal to 105% of the market value of the securities loaned, marked to market daily.

All revenue generated from the securities lending program is returned to the relevant Underlying Funds, less agent lender fees and costs. Vanguard does not retain any portion of the revenue generated from the securities lending program. The agent lender fees and costs are reflected in the relevant Underlying Fund's indirect costs to the extent they are material (see Section 'Fees and Other Costs').

Environmental, social and ethical considerations

Vanguard does not take into account labour standards or environmental, social or ethical considerations (ESG) when selecting, retaining or realising investments for the Funds.

Proxy voting and engagement

Vanguard votes proxies in companies/funds where the Underlying Funds have a significant economic interest and it is reasonably practicable to do so. Details of Vanguard's proxy voting policy can be found on our website.

¹ Please refer to the section 'Fund profiles' for a list of the Cash and Asset Sector Index Funds and the Underlying Funds in which they currently invest.

Benefits of investing in the Funds

The benefits of Vanguard's investment approach include:

- **Competitive long-term performance** - Vanguard's investment approach provides investors with an efficient way to capture long-term market performance.
- **Diversification** - The Funds provide exposure to a diversified portfolio of securities, which means the Funds are less exposed to the performance fluctuations of individual securities. This moderates the volatility of the portfolio and 'smooths out' investment returns over time.
- **Tax efficiency** - Vanguard's buy and hold strategy means that securities are held within a portfolio for longer. If certain securities are held for more than 12 months, any capital gain (if applicable) on the disposal of those securities may be reduced under the capital gains tax discount rules - a tax efficient outcome for eligible investors.
- **Low cost investing** - The Funds have low ongoing fees as we strive to minimise the costs of managing and operating the Funds. The Funds typically have low portfolio turnover resulting in low trading costs such as brokerage and other transaction costs.

Risks of managed investment schemes

All investments have some level of risk. Since each Fund has a different investment objective, investment risk will vary from Fund to Fund. It is important to keep in mind one of the principles of investing: the higher the potential reward, the higher the risk of losing money. The reverse is also generally true: the lower the risk, the lower the potential reward. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy. It is important to understand that:

- 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; and
- 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 is invested, and the investor's risk tolerance.

Significant risks of investing in the Funds

The risks set out below relate to the Funds and Underlying Funds in which they invest

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 due to varying factors such as economic, social, environment, technological or political conditions as well as market sentiment. 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(s).

Security specific risk

The return of the Fund(s) is a combination of the return of the broad market and the return specific to each individual security held by the Fund(s). The Funds are generally well protected from security specific risk by diversifying the holdings of the Fund across the relevant markets. From time to time, the number of securities in a benchmark may reduce due to factors such as index rebalancing and this may lead to a change in the diversification of the portfolio.

Derivative risk

A derivative is a contract or financial product 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.

Counterparty/credit risk

Counterparty risk is the risk that the Funds (or their Underlying Funds, as applicable) may incur a loss due to the failure of a counterparty to meet their obligations under a contract. A Fund's counterparties may include brokers, clearing houses and other agents, including an agent lender under the securities lending program.

In relation to securities lending, there is a risk that defaults on its obligations to return securities. This may in turn lead to collateral and liquidity risks if the value of the collateral and/or liquidity of the replacement securities decreases. Vanguard seeks to mitigate the risks of its securities lending program through strict credit monitoring and requiring the provision of highly liquid collateral. See "Securities Lending" for more information.

For the Fund that invests in fixed interest and debt securities, there is credit risk. For example, there is a risk that 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. Vanguard seeks to minimise this risk by diversifying a Fund's holdings across issuers.

For further details regarding counterparty/credit risk in relation to the underlying funds, please refer to the 'Risk' section of the applicable PDS.

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.

The Vanguard Index Diversified Bond Fund and the Vanguard Index Hedged International Shares Fund mitigate currency risk by utilising forward foreign exchange contracts to hedge currency exposure. Forward foreign exchange contracts are subject to derivative risk – please refer to 'Derivative Risk' for further information.

Distribution risk

Investors should be aware that hedging portfolios against currency risk involves costs and implementation risks due to the volatility of currency and securities markets and this volatility may impact distributions from a Fund. For example, 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 Fund (unless, where the Fund is an AMIT, Vanguard determines to accumulate this additional income).

Conversely, when the Australian dollar is depreciating relative to other currencies, the losses from currency hedging can totally offset other income received by the relevant Fund, which may result in no distribution for the period.

Regulatory risk

There is a risk that a Fund 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.

Manager risk

A Fund may fail to meet its investment objective due to Vanguard's (including where relevant, any related entities') investment selection or implementation processes which may cause a Fund to underperform relevant benchmarks or other funds with a similar investment strategy.

Fund risk

Managed fund, in simple terms, pool the money of many individual investors. Therefore, investing in a managed fund and via an Underlying Fund may give rise to different outcomes as compared to investing in the underlying securities directly. As an investor in a Fund, your 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 a Fund. In addition, there is a risk that Vanguard could be replaced as the responsible entity and/or investment manager for a Fund, or a Fund could terminate.

Operational risks

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

Interest Rate risks

The value of fixed income securities 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.

Funds at a glance

Cash and fixed interest

Fund name	Vanguard Investor Cash Plus Fund	Vanguard Index Diversified Bond Fund
Investment objective	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.	Seeks to track the return of a tailored diversified index representing a 30% allocation to Australian fixed interest securities (bonds) and a 70% allocation to international fixed interest securities (hedged), before taking into account fees, expenses and tax.
Fund commencement date	19 January 2000	19 January 2000
Minimum investment amounts^A		
Minimum initial investment	\$5,000	\$5,000
Minimum additional investment		
▪ Cheque	\$1,000	\$1,000
▪ BPAY	\$100	\$100
Minimum account balance	\$3,000	\$3,000
Minimum transfer	\$5,000	\$5,000
Minimum withdrawal or switch	\$1,000	\$1,000
Payment of withdrawals^B	Generally within 3 business days*	Generally within 3 business days**
Income distributions frequency^C	Quarterly	Quarterly
Unit pricing frequency	Daily	Daily
Fees and costs		
Management costs^D		
Vanguard's management fee (p.a.)		
▪ first \$50,000	0.70%	0.75%
▪ next \$50,000 ^E	0.50%	0.50%
▪ balance over \$100,000 ^E	0.35%	0.35%
Indirect costs (p.a.) ^F	0.00%	0.00%
Establishment fee	Nil	Nil
Application/contribution fee	Nil	Nil
Withdrawal/redemption fee	Nil	Nil
Termination fee	Nil	Nil
Switching fee	Nil	Nil
Transfer fee	Nil	Nil
Buy spread (purchase) ^G	0.02%	0.13%
Sell spread (withdrawal) ^G	0.02%	0.13%

* The Fund's constitution allows withdrawal proceeds to be paid within a reasonable period, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

** The Fund's constitution allows withdrawal proceeds to be paid within a period of 30 days from the date of acceptance of the withdrawal or such longer period as the constitution for the Fund allows in certain circumstances.

A Vanguard may accept a lesser amount at its discretion.

B Please refer to the section "Withdrawals" for more information on when withdrawal payment times may be extended.

C Please refer to the section "Income distributions" for more information on when income distributions frequency may change.

D Please refer to the section "Additional explanation of fees and costs" for more information on management costs.

E For balances exceeding \$50,000, the management fees shown are what you pay after deducting the applicable rebate. Please refer to the section "Additional explanation of fees and costs" for more information on how and when rebates of management fees are paid to you.

F Indirect costs refers to the costs embedded in the returns of particular types of assets held by the Fund, such as certain over-the-counter derivatives. Indirect costs are not an additional fee paid to Vanguard. The Indirect Cost is based on an estimate as at the date of this PDS and may vary over time. Vanguard may update indirect cost information on its website where the overall change to the management cost is not materially adverse to investors.

G Note that buy/sell spreads are estimates. Please refer to the section "Buy/sell spreads" for more information.

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Australian shares and property

Fund name	Vanguard Index Australian Shares Fund	Vanguard High Yield Australian Shares Fund	Vanguard Index Australian Property Securities Fund
Investment objective	Seeks to track the return of the S&P/ASX300 Index before taking into account fees, expenses and tax.	Seeks to track the return of the FTSE Australia High Dividend Yield Index before taking into account fees, expenses and tax.	Seeks to track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses and tax.
Fund commencement date	26 October 1998	15 July 2004	26 October 1998
Minimum investment amounts^A			
Minimum initial investment	\$5,000	\$5,000	\$5,000
Minimum additional investment			
▪ Cheque	\$1,000	\$1,000	\$1,000
▪ BPAY	\$100	\$100	\$100
Minimum account balance	\$3,000	\$3,000	\$3,000
Minimum transfer	\$5,000	\$5,000	\$5,000
Minimum withdrawal or switch	\$1,000	\$1,000	\$1,000
Payment of withdrawals^B	Generally within 3 business days*	Generally within 3 business days**	Generally within 3 business days***
Income distributions frequency^C	Half yearly	Quarterly	Half yearly
Unit pricing frequency	Daily	Daily	Daily
Fees and costs			
Management costs^D			
Vanguard's management fee (p.a.)			
▪ first \$50,000	0.75%	0.90%	0.90%
▪ next \$50,000 ^E	0.50%	0.60%	0.60%
▪ balance over \$100,000 ^E	0.35%	0.45%	0.35%
Indirect costs (p.a.) ^F	0.00%	0.00%	0.00%
Establishment fee	Nil	Nil	Nil
Application/contribution fee	Nil	Nil	Nil
Withdrawal/redemption fee	Nil	Nil	Nil
Termination fee	Nil	Nil	Nil
Switching fee	Nil	Nil	Nil
Transfer fee	Nil	Nil	Nil
Buy spread (purchase) ^G	0.07%	0.06%	0.07%
Sell spread (withdrawal) ^G	0.07%	0.06%	0.07%

* The Fund's constitution allows withdrawal proceeds to be paid within a period of 30 days, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

** The Fund's constitution allows withdrawal proceeds to be paid within a reasonable period, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

*** The Fund's constitution allows withdrawal proceeds to be paid no later than 30 days, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

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B Please refer to the section "Withdrawals" for more information on when withdrawal payment times may be extended.

C Please refer to the section "Income distributions" for more information on when income distributions frequency may change.

D Please refer to the section "Additional explanation of fees and costs" for more information on management costs.

E For balances exceeding \$50,000, the management fees shown are what you pay after deducting the applicable rebate. Please refer to the section "Additional explanation of fees and costs" for more information on how and when rebates of management fees are paid to you.

F Indirect costs refers to the costs embedded in the returns of particular types of assets held by the Fund, such as certain over-the-counter derivatives. Indirect costs are not an additional fee paid to Vanguard. The Indirect Cost is based on an estimate as at the date of this PDS and may vary over time. Vanguard may update indirect cost information on its website where the overall change to the management cost is not materially adverse to investors.

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International shares

Fund name	Vanguard Index International Shares Fund	Vanguard Index Hedged International Shares Fund
Investment objective	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.	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.
Fund commencement date	26 October 1998	19 January 2001
Minimum investment amounts^A		
Minimum initial investment	\$5,000	\$5,000
Minimum additional investment		
▪ Cheque	\$1,000	\$1,000
▪ BPAY	\$100	\$100
Minimum account balance	\$3,000	\$3,000
Minimum transfer	\$5,000	\$5,000
Minimum withdrawal or switch	\$1,000	\$1,000
Payment of withdrawals^B	Generally within 3 business days*	Generally within 3 business days**
Income distributions frequency^C	Half yearly	Half yearly
Unit pricing frequency	Daily	Daily
Fees and costs		
Management costs^D		
Vanguard's management fee (p.a.)		
▪ first \$50,000	0.90%	0.90%
▪ next \$50,000 ^E	0.60%	0.60%
▪ balance over \$100,000 ^E	0.35%	0.35%
Indirect costs (p.a.) ^F	0.00%	0.00%
Establishment fee	Nil	Nil
Application/contribution fee	Nil	Nil
Withdrawal/redemption fee	Nil	Nil
Termination fee	Nil	Nil
Switching fee	Nil	Nil
Transfer fee	Nil	Nil
Buy spread (purchase) ^G	0.07%	0.09%
Sell spread (withdrawal) ^G	0.07%	0.09%

* The Fund's constitution allows withdrawal proceeds to be paid within a period of 30 days, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

** The Fund's constitution allows withdrawal proceeds to be paid within a reasonable period, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

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C Please refer to the section "Income distributions" for more information on when income distributions frequency may change.

D Please refer to the section "Additional explanation of fees and costs" for more information on management costs.

E For balances exceeding \$50,000, the management fees shown are what you pay after deducting the applicable rebate. Please refer to the section "Additional explanation of fees and costs" for more information on how and when rebates of management fees are paid to you.

F Indirect costs refers to the costs embedded in the returns of particular types of assets held by the Fund, such as certain over-the-counter derivatives. Indirect costs are not an additional fee paid to Vanguard. The Indirect Cost is based on an estimate as at the date of this PDS and may vary over time. Vanguard may update indirect cost information on its website where the overall change to the management cost is not materially adverse to investors.

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Diversified Index Funds

Fund name	Vanguard LifeStrategy® Conservative Fund	Vanguard LifeStrategy® Balanced Fund	Vanguard LifeStrategy® Growth Fund	Vanguard LifeStrategy® High Growth Fund
Investment objective	Seeks to track the weighted average return of various indices of the underlying Vanguard Wholesale Funds in which it invests, before taking into account fees, expenses and tax.	Seeks to track the weighted average return of various indices of the underlying Vanguard Wholesale Funds in which it invests, before taking into account fees, expenses and tax.	Seeks to track the weighted average return of various indices of the underlying Vanguard Wholesale Funds in which it invests, before taking into account fees, expenses and tax.	Seeks to track the weighted average return of various indices of the underlying Vanguard Wholesale Funds in which it invests, before taking into account fees, expenses and tax.
Asset allocation	Income 70% Growth 30%	Income 50% Growth 50%	Income 30% Growth 70%	Income 10% Growth 90%
Fund commencement date	26 October 1998	14 February 2003	26 October 1998	26 October 1998
Minimum investment amounts^A				
Minimum initial investment	\$5,000	\$5,000	\$5,000	\$5,000
Minimum additional investment				
▪ Cheque	\$1,000	\$1,000	\$1,000	\$1,000
▪ BPAY	\$100	\$100	\$100	\$100
Minimum account balance	\$3,000	\$3,000	\$3,000	\$3,000
Minimum transfer	\$5,000	\$5,000	\$5,000	\$5,000
Minimum withdrawal or switch	\$1,000	\$1,000	\$1,000	\$1,000
Payment of withdrawals^B	Generally within 3 business days*			
Income distributions frequency^C	Half yearly	Half yearly	Half yearly	Half yearly
Unit pricing frequency	Daily	Daily	Daily	Daily
Fees and costs				
Management costs^D				
Vanguard's management fee (p.a.)				
▪ first \$50,000	0.90%	0.90%	0.90%	0.90%
▪ next \$50,000 ^E	0.60%	0.60%	0.60%	0.60%
▪ balance over \$100,000 ^E	0.29%	0.29%	0.29%	0.29%
Indirect costs (p.a.) ^F	0.00%	0.00%	0.00%	0.00%
Establishment fee	Nil	Nil	Nil	Nil
Application/contribution fee	Nil	Nil	Nil	Nil
Withdrawal/redemption fee	Nil	Nil	Nil	Nil
Termination fee	Nil	Nil	Nil	Nil
Switching fee	Nil	Nil	Nil	Nil
Transfer fee	Nil	Nil	Nil	Nil
Buy spread (purchase) ^G	0.11%	0.11%	0.10%	0.09%
Sell spread (withdrawal) ^G	0.11%	0.11%	0.10%	0.09%

* The Fund's constitution allows withdrawal proceeds to be paid within a reasonable period, having regard to the nature of the assets or such longer period as the constitution for the Fund allows in certain circumstances.

A Vanguard may accept a lesser amount at its discretion.

B Please refer to the section "Withdrawals" for more information on when withdrawal payment times may be extended.

C Please refer to the section "Income distributions" for more information on when income distributions frequency may change.

D Please refer to the section "Additional explanation of fees and costs" for more information on management costs.

E For balances exceeding \$50,000, the management fees shown are what you pay after deducting the applicable rebate. Please refer to the section "Additional explanation of fees and costs" for more information on how and when rebates of management fees are paid to you.

F Indirect costs refers to the costs embedded in the returns of particular types of assets held by the Fund, such as certain over-the-counter derivatives. Indirect costs are not an additional fee paid to Vanguard. The Indirect Cost is based on an estimate as at the date of this PDS and may vary over time. Vanguard may update indirect cost information on its website where the overall change to the management cost is not materially adverse to investors.

G Note that buy/sell spreads are estimates. Please refer to the section "Buy/sell spreads" for more information.

The above information is subject to change. Details of any changes which are not materially adverse to investors will be made available on our website.

A paper copy of any updated information will be provided free of charge on request.

Fund Profiles

Cash and Asset Sector Index Funds

The following pages provide a description of the Cash and Asset Sector Index Funds, including a broad outline of the investment objectives, investment strategy, asset allocation and other relevant information specific to each Fund.

As at the date of this PDS, the Cash and Asset Sector Index Funds each invest in units in underlying Vanguard Wholesale Funds (Underlying Funds), which in turn invest in securities in the target asset sector or another Vanguard Wholesale Fund.

Note that Vanguard may change the Underlying Funds in which the Funds invest at its discretion. For example, in future, some or all of the Funds may commence investing directly in additional or different Underlying Funds and may cease investing in the Underlying Funds named below.

The following table lists the Cash and Asset Sector Index Funds and the Underlying Funds in which they currently invest.

Cash Fund	Underlying Fund(s)
Vanguard Investor Cash Plus Fund	Vanguard Cash Plus Fund
Asset Sector Index Funds	
Vanguard Index Diversified Bond Fund	Vanguard Australian Fixed Interest Index Fund Vanguard Global Aggregate Bond Index Fund (Hedged)
Vanguard Index Australian Shares Fund	Vanguard Australian Shares Index Fund
Vanguard High Yield Australian Shares Fund	Vanguard Australian Shares High Yield Fund
Vanguard Index Australian Property Securities Fund	Vanguard Australian Property Securities Index Fund
Vanguard Index International Shares Fund	Vanguard International Shares Index Fund
Vanguard Index Hedged International Shares Fund	Vanguard International Shares Index Fund (Hedged)

For more information about the Underlying Funds, visit the Vanguard website to access the relevant PDS.

Vanguard Investor Cash Plus Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

The Vanguard Investor Cash Plus 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 Vanguard Investor Cash Plus Fund aims to meet its investment objective by investing in the Vanguard Cash Plus Fund (Underlying Fund).

Vanguard's approach to managing the Underlying Fund involves investing in high-quality money market and debt securities issued by a variety of government, government related and corporate entities in Australia.

The Underlying Fund targets a modified duration of seven to eight months to take advantage of the term yield premium that exists in this segment of the debt securities' yield curve over the long term. Combining short term debt securities with money market securities provides the potential for the Underlying Fund and consequently the Fund to deliver higher yields than traditional style cash funds.

The Underlying Fund's investment process is governed by a tightly controlled investment framework that seeks to reduce credit risk and ensure diversity of holdings across issuers. As part of this framework, the investments to which the Underlying Fund is exposed are restricted to:

- a) Commonwealth Government securities;
- b) high quality debt securities;
- c) deposits secured by a) or b);
- d) cash deposits with licensed banks; and
- e) derivative financial instruments provided they are not used to leverage the assets of the Underlying Fund.

Additional controls are also employed to manage risk and ensure liquidity of the Underlying Fund. These include:

- the Underlying Fund's modified duration is not permitted to exceed nine months
- at least 65% of the Underlying Fund's investments to be held in liquid securities

Strategic asset allocation*

Australian fixed interest 100%.

Minimum suggested investment timeframe

Three year.

Summary risk level

Low - The potential for relatively stable returns, with a low potential for loss of capital.

Who it may suit

Investors with a short-term investment horizon or seeking a steady and reliable income stream.

* This is a targeted strategic asset allocation. In addition, cash may be held for the purpose of liquidity management and derivatives may be used to manage market exposure

Vanguard Index Diversified Bond Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

The 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 Barclays Global Aggregate Bond Index (hedged to Australian dollars), before taking into account fees, expenses and tax.

The Vanguard Index Diversified Bond Fund gains its exposure to securities in the index by investing in the following Underlying Funds:

- Vanguard Australian Fixed Interest Index Fund
- Vanguard Global Aggregate Bond Index Fund (Hedged)

Strategic asset allocation		
Income assets	SAA (%)	Range (%)
Australian fixed interest	30	28 – 32
International fixed interest (Hedged to AUD)	70	68 - 72

Minimum suggested investment timeframe

Three years.

Summary risk level

Low - The potential for relatively stable returns, with a low potential for loss of capital.

Who it may suit

Investors with a medium term investment horizon, seeking an income stream through Australian and international fixed interest securities.

Vanguard Index Australian Shares Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

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

The Vanguard Index Australian Shares Fund gains its exposure to securities in the index by investing in the Vanguard Australian Shares Index Fund (Underlying Fund).

The Fund is exposed to all of the securities in the index most of time, allowing for individual security weightings to vary marginally from the index from time to time. The Fund may be exposed to securities that have been removed from or are expected to be included in the index.

The S&P/ASX 300 Index is liquid, float-adjusted and includes up to 300 of Australia's largest securities by float-adjusted market capitalisation.

Strategic asset allocation*

Australian shares 100%

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

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.

* This is a targeted strategic asset allocation. In addition, cash may be held for the purpose of liquidity management and derivatives may be used to manage market exposure

Vanguard High Yield Australian Shares Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

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

The Vanguard High Yield Australian Shares Fund gains its exposure to securities in the index by investing in the Vanguard Australian Shares High Yield Fund (Underlying Fund).

The FTSE Australia High Dividend Yield Index is a real-time, dividend focussed index consisting of companies with higher forecast dividends relative to other companies listed on the Australian Stock Exchange (ASX). The index is calculated on a before tax basis. The Fund is exposed to all of the securities in the index most of time, allowing for individual security weightings to vary marginally from the index from time to time. The Fund may be exposed to securities that have been removed from or are expected to be included in the index.

The securities in the index are selected from the companies included in the FTSE ASFA Australia 200 Index² (Eligible Securities), a market capitalisation-weighted broad market index of ordinary and preferred equity securities listed on the ASX. Real estate investment trusts (A-REITs) are excluded from the Eligible Securities.

The Eligible Securities are ranked according to each security's 12 month forecast dividend yield (sourced from I/B/E/S³ - the Institutional Brokers' Estimate System) with companies not forecast to pay dividends in the next 12 months being eliminated. Companies with the highest forecast dividend yield are included in the index until approximately half of the float adjusted market capitalisation of the Eligible Securities are included. Lastly, diversification requirements are applied to restrict the proportion of the index invested in any one industry⁴ or company. At each review no more than 40% of the index can be invested in any one industry, and no more than 10% can be invested in any one company.

The index constituents are reviewed on a half-yearly basis in June and December.

Strategic asset allocation*

Australian shares 100%

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

Buy and hold investors seeking a higher than market average dividend yield and with a higher tolerance for the risks associated with share market volatility.

² The FTSE ASFA Australia 200 Index typically represents the largest 200 companies listed on the Australian Securities Exchange meeting certain liquidity, free float criteria. For more information on this index please refer to www.ftse.com

³ I/B/E/S is the Institutional Brokers' Estimate System; a data service that collates detailed and consensus estimates of forecast measures of company earnings and performance.

⁴ Industries are grouped according to the Industry Classification Benchmark (ICB), a global standard developed by FTSE.

* This is a targeted strategic asset allocation. In addition, cash may be held for the purpose of liquidity management and derivatives may be used to manage market exposure

Vanguard Index Australian Property Securities Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

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

The Vanguard Index Australian Property Securities Fund gains its exposure to securities in the index by investing in the Vanguard Australian Property Securities Index Fund (Underlying Fund).

The Fund is exposed to all of the securities in the index most of time, allowing for individual security weightings to vary marginally from the index from time to time. The Fund may be exposed to securities that have been removed from or are expected to be included in the index.

The S&P/ASX 300 A-REIT Index comprises property securities (shares) listed on the ASX. These securities are real estate investment trusts and companies that own real estate assets and derive a significant proportion of their revenue from rental income.

Strategic asset allocation*

Australian property securities 100%

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

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.

* This is a targeted strategic asset allocation. In addition, cash may be held for the purpose of liquidity management and derivatives may be used to manage market exposure

Vanguard Index International Shares Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

The Vanguard Index International Shares 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 Vanguard Index International Shares Fund gains its exposure to securities in the index by investing in the Vanguard International Shares Index Fund (Underlying Fund).

The Fund is exposed to all of the securities in the index most of time, allowing for individual security weightings to vary marginally from the index from time to time. The Fund may be exposed to securities that have been removed from or are expected to be included in the index.

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

The MSCI World ex-Australia Index comprises securities (shares) listed on the exchanges of the world's major developed economies.

Strategic asset allocation*

International shares 100%

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

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.

* This is a targeted strategic asset allocation. In addition, cash may be held for the purpose of liquidity management and derivatives may be used to manage market exposure

Vanguard Index Hedged International Shares Fund

For the latest information on this Fund including performance data, please visit our website.

Investment strategy and investment return objective

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

The Vanguard Index Hedged International Shares Fund gains its exposure to securities in the index by investing in the Vanguard International Shares Index Fund (Hedged) (Underlying Fund).

The Fund is exposed to all of the securities in the index most of time allowing for individual security weightings to vary marginally from the index from time to time. The Fund may be exposed to securities that have been removed from or are expected to be included in the index. The Fund will also be exposed to foreign exchanged contracts and may be exposed to futures contracts.

The MSCI World ex-Australia hedged into AUD Index comprises securities (shares) listed on the exchanges of the world's major developed economies.

Strategic asset allocation*

International shares 100%

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

Investors seeking exposure to a diversified portfolio of international shares that is relatively unaffected by currency fluctuations.

* This is a targeted strategic asset allocation. In addition, cash may be held for the purpose of liquidity management and derivatives may be used to manage market exposure

Diversified Index Funds

The Vanguard LifeStrategy® Funds (Diversified Index Funds) invest across a number of asset sectors, including growth assets and income assets.

Fund	Income assets (%)	Growth assets (%)
Vanguard LifeStrategy® Conservative Fund	70	30
Vanguard LifeStrategy® Balanced Fund	50	50
Vanguard LifeStrategy® Growth Fund	30	70
Vanguard LifeStrategy® High Growth Fund	10	90

The Diversified Index Funds provide a choice of asset allocations by maintaining differing allocations to cash, bonds, property and shares and vary from conservative to growth oriented allocations. The Diversified Index Funds seek to achieve their investment objectives by investing in a blend of the underlying Vanguard Wholesale Funds in accordance with their strategic asset allocations. Each Diversified Index Fund currently achieves its allocation to a particular sector by investing in the Underlying Funds that correspond to the relevant sector.

The Diversified Index Funds hold units in other Vanguard funds and are not expected to hold other securities directly. However, Vanguard may change the Underlying Funds in which the Funds invest at its discretion. For example, in future, some or all of the Funds may commence investing directly in securities and/or may commence investing in different or additional Underlying Funds.

The following pages provide a description of the Diversified Index Funds, including a broad outline of the investment objectives, investment strategy, asset allocation and other relevant information specific to each Fund.

Vanguard LifeStrategy® Conservative Fund

For the latest information on this Fund including performance data, please visit the Vanguard website.

Investment strategy and investment return objective

The Vanguard LifeStrategy® Conservative 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 (SAA), before taking into account fees, expenses and tax.

Vanguard Cash Plus Fund
Vanguard Australian Fixed Interest Index Fund
Vanguard Global Aggregate Bond Index Fund (Hedged)
Vanguard Australian Shares Index Fund
Vanguard International Shares Index Fund
Vanguard International Shares Index Fund (Hedged)
Vanguard International Small Companies Index Fund
Vanguard Emerging Markets Shares Index Fund

Vanguard may, at its discretion, commence investing directly in the securities that are, have been or are expected to be in the indices of the Underlying Funds or in different or other Funds. For more information about the Underlying Funds, visit the Vanguard website.

Strategic asset allocation		
Income assets	SAA (%)	Range (%)
Cash	10	8 – 12
Australian fixed interest	18	16 – 20
International fixed interest (hedged)	42	40 – 44
Total income assets	70	68 – 72
Growth assets		
Australian shares	12	10 – 14
International shares	8.5	6.5 – 10.5
International shares (hedged)	5.5	3.5 – 7.5
International small companies	2	0 – 4
Emerging markets shares	2	0 – 4
Total growth assets	30	28 – 32

Minimum suggested investment timeframe

Three years.

Summary risk level

Low - The potential for relatively stable returns, with a low potential for loss of capital.

Who it may suit

Investors with a short to medium term investment horizon, seeking a steady source of income with some capital growth potential.

Vanguard LifeStrategy® Balanced Fund

For the latest information on this Fund including performance data, please visit the Vanguard website.

Investment strategy and investment return objective

The Vanguard LifeStrategy® Balanced 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 (SAA), before taking into account fees, expenses and tax.

Vanguard Australian Fixed Interest Index Fund
 Vanguard Global Aggregate Bond Index Fund (Hedged)
 Vanguard Australian Shares Index Fund
 Vanguard International Shares Index Fund Vanguard
 International Shares Index Fund (Hedged)
 Vanguard International Small Companies Index Fund
 Vanguard Emerging Markets Shares Index Fund

Vanguard may, at its discretion, commence investing directly in the securities that are, have been or are expected to be in the indices of the Underlying Funds or in different or other Funds. For more information about the Underlying Funds, visit the Vanguard website.

Strategic asset allocation		
Income assets	SAA (%)	Range (%)
Australian fixed interest	15	13 – 17
International fixed interest (hedged)	35	33 – 37
Total income assets	50	48 – 52
Growth assets		
Australian shares	20	18 – 22
International shares	14.5	12.5 – 16.5
International shares (hedged)	9	7 – 11
International small companies	3.5	1.5 – 5.5
Emerging markets shares	3	1 – 5
Total growth assets	50	48 – 52

Minimum suggested investment timeframe

Five years.

Summary risk level

Medium - The potential for relatively higher returns than lower risk investments with the potential for some loss of capital over the medium term

Who it may suit

Investors with a medium term investment horizon, seeking a balance between income and capital growth potential.

Vanguard LifeStrategy® Growth Fund

For the latest information on this Fund including performance data, please visit the Vanguard website.

Investment strategy and investment return objective

The Vanguard LifeStrategy® Growth 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 (SAA), before taking into account fees, expenses and tax.

Vanguard Australian Fixed Interest Index Fund
Vanguard Global Aggregate Bond Index Fund (Hedged)
Vanguard Australian Shares Index Fund
Vanguard International Shares Index Fund
Vanguard International Shares Index Fund (Hedged)
Vanguard International Small Companies Index Fund
Vanguard Emerging Markets Shares Index Fund

Vanguard may, at its discretion, commence investing directly in the securities that are, have been or are expected to be in the indices of the Underlying Funds or in different or other Funds. For more information about the Underlying Funds, visit the Vanguard website.

Strategic asset allocation		
	SAA (%)	Range (%)
Income assets		
Australian fixed interest	9	7 – 11
International fixed interest (hedged)	21	19 – 23
Total income assets	30	28 – 32
Growth assets		
Australian shares	28	26 – 30
International shares	20.5	18.5 – 22.5
International shares (hedged)	12.5	10.5 – 14.5
International small companies	5	3 – 7
Emerging markets shares	4	2 – 6
Total growth assets	70	68 – 72

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

Buy and hold investors seeking long-term capital growth, but requiring some diversification benefits of fixed income to reduce volatility.

Vanguard LifeStrategy® High Growth Fund

For the latest information on this Fund including performance data, please visit the Vanguard website.

Investment strategy and investment return objective

The Vanguard LifeStrategy® High Growth 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 (SAA), before taking into account fees, expenses and tax.

Vanguard Australian Fixed Interest Index Fund
Vanguard Global Aggregate Bond Index Fund (Hedged)
Vanguard Australian Shares Index Fund
Vanguard International Shares Index Fund
Vanguard International Shares Index Fund (Hedged)
Vanguard International Small Companies Index Fund
Vanguard Emerging Markets Shares Index Fund

Vanguard may, at its discretion, commence investing directly in the securities that are, have been or are expected to be in the indices of the Underlying Funds or in different or other funds. For more information about the Underlying Funds, visit the Vanguard website.

Strategic asset allocation		
Income assets	SAA (%)	Range (%)
Australian fixed interest	3	1 – 5
International fixed interest (hedged)	7	5 – 9
Total income assets	10	8 – 12
Growth assets		
Australian shares	36	34 – 40
International shares	26.5	24.5 – 28.5
International shares (hedged)	16	14 – 18
International small companies	6.5	4.5 – 8.5
Emerging markets shares	5	3 – 7
Total growth assets	90	88 – 92

Minimum suggested investment timeframe

Seven years.

Summary risk level

High - The potential for higher returns than lower risk investments, however there is the higher potential for below-average returns and/or some loss of capital.

Who it may suit

Buy and hold investors seeking long-term capital growth and with a higher tolerance for the risks associated with share market volatility.

Fees and other costs

Did you know? Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features, such as superior investment performance or the provision of better member services, justify higher fees and costs. Ask the fund or your financial adviser.

To find out more: If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Our fees and costs

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from each Fund's assets as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The following table sets out the fees and costs for the Funds, using the rates applicable to the Vanguard LifeStrategy® Balanced Fund. The fees and costs for specific Funds are set out in the section "Funds at a glance".

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil ^A	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil ^A	Not applicable
<i>Exit fee</i> The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment in the Vanguard LifeStrategy® Balanced Fund	Vanguard's management fee:	The management cost for each fund incorporates Vanguard's management fee and an estimate of any indirect costs ^D (if applicable).
The amount you pay for specific Funds is set out in the section "Funds at a glance"	First \$50,000 Next \$50,000 Balances over \$100,000	0.90% p.a. 0.60% p.a. ^B 0.29% p.a. ^B
	Indirect costs	0.00% p.a. ^D Vanguard's management fee is calculated as a percentage of the fund's net asset value ^C . The fee is accrued daily in the unit price and paid monthly. The fee for a month is paid on or after the first day of the following month. This fee is taken from the assets of the relevant fund and/or underlying fund.
		Management fees are initially deducted from the fund at the highest rate then reduced by a rebate applicable to the part of your investment that exceeds \$50,000. Please refer to the section "Additional explanation of fees and costs" for further information on how and when rebates are paid to you.
		Indirect costs (if applicable) refer to the costs which reduce the returns of the Funds, such as certain over-the-counter derivatives. Please refer to the section 'Additional explanation of fees and costs' for further information about how and when indirect costs apply.
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil	Not applicable

A You may incur a buy/sell spread when your money moves in or out of the Funds. Please refer to the section "Buy/sell spreads" for an explanation of buy/sell spreads. Please refer to the section "Funds at a glance" for the buy/sell spreads you pay specific to each fund.

B For balances exceeding \$50,000, the management fees shown are what you pay after deducting the applicable rebate. Please refer to the section "Additional explanation of fees and costs" for more information on how and when rebates of management fees are paid to you.

C Please refer to the section "Unit pricing" for an explanation of the net asset value for the Funds.

D Indirect costs are based on the financial year ended 30 June 2018 and to the extent necessary are estimated by Vanguard using reasonable assumptions.

Example of annual fees and costs

The following table provides an example of how the fees and costs in the Vanguard LifeStrategy® Balanced Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example - Vanguard LifeStrategy® Balanced Fund		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil ^A	For every \$5,000 you put in, you will be charged \$0.
PLUS management costs, comprising		And , for the first \$50,000 you have in the fund, you will be charged \$450 each year.
Vanguard's management fee	First 50,000 Next 50,000 Balance over \$100,000	0.90% p.a. 0.60% p.a. ^B 0.29% p.a. ^B
Indirect costs		0.00% p.a.
EQUALS cost of fund		If you had an investment of \$50,000 at the beginning of the year and put in \$5,000 ^C during that year you will be charged fees of \$450 ^{AC} .

A A buy spread of 0.11% would also apply. For every \$5,000 you put in, you will be charged \$5.50.

B For balances exceeding \$50,000, the management fees shown are what you pay after deducting the applicable rebate. Please refer to the section "Additional explanation of fees and costs" for more information on how and when rebates of management fees are paid to you.

C Assumes that there is a constant balance throughout the year and that the additional contribution occurs on the last day of the year. A rebate of management costs on amounts exceeding \$50,000 has not been taken into account.

Vanguard has a managed funds fee calculator on our website that can be used to calculate the impact of fees and costs on your account balance.

Additional explanation of fees and costs

Management costs

Management costs comprise the fees or 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 returns 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.

Management fees

The management fee component is a fixed amount that Vanguard deducts from the assets of the Funds and comprises Vanguard's remuneration for managing and overseeing the operations of the Funds. The management fee is calculated as a percentage of the Fund's net asset value (or the relevant class of units where the Fund has multiple classes). The fee is accrued daily in the unit price and paid monthly in arrears. The fee for a month is paid on or after the first day of the following month. This fee is taken from the assets of the relevant Fund.

As at the date of this PDS, Vanguard pays any expenses that are recoverable from the Funds out of the management fee at no additional charge to you. The management fee includes Goods and Services Tax (GST) after taking into account any expected input tax credits.

Ordinary expenses of the Funds that Vanguard may be recovering through the management fee include:

- custodian fees (excluding transaction-based fees);
- accounting and audit fees;
- fund administration expenses, such as the cost of preparing and amending the constitution, the cost of producing the PDS, postage and the other fund administration expenses.

The management fee may not be used to cover extraordinary expenses (such as litigation, the cost of investor meetings or other costs if incurred in the future). Such extraordinary expenses may be recovered from the assets of the Fund as an additional expense to the management fee where permitted under the constitutions.

The management fee of investing in each of the Funds is capped until further notice.

In calculating taxable income for the Funds, all available tax deductions are taken into account. This means that the effective after-tax cost to investors of investing in a Fund may be lower than the amounts specified in the PDS for the Fund, to the extent that management costs are a tax deductible expense and reduce the taxable income of that Fund.

Indirect costs

Indirect costs are included as part of the management costs disclosed in the fee table for each Fund in the PDS. Indirect costs include the management costs of interposed vehicles (for example, the management fee of an underlying investment trust or exchange traded fund) and certain costs of over-the-counter derivatives. For any Funds that invest in an underlying Vanguard Fund which is managed by Vanguard, Vanguard's management fee in the underlying Fund(s) is fully rebated back to the relevant investing Fund and so does not need to be counted in indirect costs for the relevant Fund.

It is important to note that indirect costs are reflected in the unit price of a Fund. Indirect costs are not an additional fee paid to Vanguard. Indirect costs disclosed in the PDS are based on the financial year immediately prior to the issue date of the PDS and to the extent necessary are estimated by Vanguard using reasonable assumptions. Indirect costs may vary over time. Where changes to indirect costs are not materially adverse to investors, the information may be updated on our website.

Changes to management fees

Vanguard may alter the management fee in accordance with the constitutions of the Funds. The constitutions governing each Fund generally limit the amount of the management fee component (excluding GST) to 0.85% - 1.50% p.a. This limit does not apply to ordinary expenses of the Funds that Vanguard incurs and covers out of the management fee or to any extraordinary expense of the Fund that is otherwise able to be recovered. Any increase above these maximums will generally require unitholder approval.

Withdrawal fee

A withdrawal fee or an early withdrawal fee could be introduced for several of the Funds, except the Vanguard LifeStrategy® Balanced Fund and Vanguard High Yield Australian Shares Fund, as permitted under the applicable constitution, although there is no current intention to do so.

The constitutions set out the maximum permissible withdrawal fees. Any increases above these limits will require unitholder approval. For the Vanguard High Yield Australian Shares Fund, the early withdrawal fee per withdrawal cannot exceed the greater of \$50 or 0.5% of the withdrawal value of each unit redeemed, and may be charged where units are redeemed at any time after being purchased. For the other Funds, the early withdrawal fee per withdrawal is currently fixed at the greater of \$50 or 0.5% of the net asset value of each unit redeemed, and may be charged where units are redeemed within 180 days of being purchased. For all Funds other than the Vanguard Index Hedged International Shares Fund and the Vanguard LifeStrategy® Balanced Fund, this fee cannot be amended to a rate greater than 1.0% of the net asset value per unit redeemed.

Management fee rebates

Vanguard's management fees are reduced by a rebate applicable to the part of your investment that exceeds \$50,000 and the next \$100,000 for each Fund. Management fees are initially deducted from a Fund at the highest rate - this cost accrues daily in the unit price and is paid monthly. Vanguard will then, from its own resources, credit to your investment a rebate that is reinvested into units of the same Fund. Management fee rebates are calculated on a daily basis and reinvested in arrears, in the month following the end of the distribution period for the relevant Fund. Buy spread costs apply to the reinvestment of the rebate.

If you withdraw from a Fund before the rebate is applied, Vanguard will credit the rebate to the most recently advised Australian bank account. However, if you have withdrawn your investment and the management fee rebate is less than \$50, Vanguard reserves the right to withhold the rebate. Note that the management fee rebate cannot be paid to an Australian bank account unless you have withdrawn from the Fund. There may be tax implications with the payment of management fee rebates. Please refer to the section "Taxation".

Transactional and operational costs

In addition to the management costs, there are transactional and operational costs incurred in managing the assets of the Funds. Most of these costs would be incurred by investing directly in the underlying securities. Such costs arise whenever the Funds buy or sell assets to invest applications, fund withdrawals or to generally manage the Fund in accordance with its investment objective. Where these costs arise as a result of applications and withdrawals, these costs will generally be covered by the inclusion of a buy/sell spread in the purchase or withdrawal price.

Transactional costs can include either "explicit costs", comprising those costs that are deducted from the assets of the Fund for a particular transaction, such as brokerage, commission and stamp duties, or "implicit costs", comprising those costs that are incurred in day-to-day trading of the Fund's assets and reflected in the unit price. Implicit costs can arise as a result of bid-offer spreads being applied by trading counterparties to securities traded by the Fund and are factored into the individual asset value and reflected in the unit price. They are an additional cost of investing to the investor and are not a fee paid to Vanguard.

These costs will depend on the actual turnover of assets. There may occasionally be higher trading activity than usual, such as to implement a change of index or asset allocation. In this case, there may be a higher than usual turnover of assets and consequently a temporary increase in transaction costs.

Further information about the Fund's transactional and operational costs, including the estimated costs for the last financial year, is contained in the Vanguard Transactional and Operational Costs Guide. This document should be read together with the current PDS for the Funds, and available on our website. It is also possible to obtain a copy free of charge, on request.

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 will incur to buy and sell assets when investing applications and funding withdrawals and is not separately charged to the investor. The buy/sell spread is paid to the Funds to meet these expenses and is not received by Vanguard.

The purpose of the buy/sell spread is to protect investors from the costs generated by the transaction activity of other investors. Investors who invest into a Fund will pay the purchase price calculated by adding the buy spread to the Fund's net asset value per unit (or the net asset value of the relevant class of units where the Fund has multiple classes). Investors who withdraw from a Fund will receive the withdrawal price calculated by deducting the sell spread from the Fund's net asset value per unit (or the net asset value of the relevant class of units where the Fund has multiple classes).

There may be circumstances where the buy spreads or sell spreads will be lower or higher - for example, they may be higher when there are large or prolonged withdrawals from the Fund. For further details on how buy/sell spreads are calculated, you can request a copy of Vanguard's policy on unit pricing discretion.

Changes to buy/sell spreads

Vanguard may vary the buy/sell spreads, from time to time, without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on Vanguard's website.

Payments to financial advisers

No adviser will receive any commission from Vanguard relating to your investment in the Funds.

Your guide to investing

Applications

New investors - initial application for investment

Vanguard offers investors multiple ways to open an investment account with us. With the recent addition of an online application facility, we've made the process even easier. For more details on how to complete your application online, please visit the Vanguard website.

Initial applications and supporting documentation must be submitted online, sent via post, or delivered to the Vanguard office. Facsimile or email copies will not be processed. Vanguard will not process initial applications until all required information and/or supporting documentation is received.

Vanguard may, in its absolute discretion, accept or refuse to accept, in whole or in part, any application or subscription for units. Vanguard need not give any reason for refusal. If for any reason Vanguard refuses or is unable to process your application to invest in the Funds, Vanguard will, subject to any legal or regulatory requirements, return your application money to you. You will not be entitled to interest on your application money in this circumstance. Any interest accrued on application amounts pending the issue of units or the return of application money will be retained for the benefit of investors.

Initial investment

The minimum initial investment amount for the Vanguard Investor Funds is \$5,000 per Fund. Vanguard, at its discretion, may accept lower investment amounts.

Your initial investment may be funded via one of the following methods:

- BPAY®
- Cheque

Payment methods

BPAY®

Once your investment account has been established, Vanguard will forward an email to you with details on how to use the BPAY facility to make your initial investment via your financial institution's telephone or internet banking service. Please note that although your BPAY transactions may be processed from your bank account immediately, your funds and payment instructions may take some time to be transferred to Vanguard from your financial institution.

Provided that your BPAY request is made before your financial institution's cut-off time, Vanguard will typically receive your funds before 2.00pm Melbourne, Australia time on the following business day. Units will only be issued once we receive your funds and at the unit price applicable to the day payment is received.

BPAY transactions cannot generally be reversed. Payments using credit card accounts cannot be made via BPAY. Any query on a BPAY transaction should be directed to your financial institution.

Cheque

As a new investor, you can choose to complete the application process by either one of the methods described below.

- Submit your application form online via Vanguard's website. Upon submitting the online application form, you will also be required to print the Application Pack and return it to Vanguard by either post or delivery to the Vanguard office, along with your cheque and supporting documentation (if required).
- Request a paper copy of the Application Form from the Client Services Team on 1300 655 101 and return it to Vanguard by either post or delivery to the Vanguard office, along with your cheque and supporting documentation.

Cheques are to be made payable to "Vanguard Investor Funds". Vanguard will accept and process cheques received as cleared funds if received by 2.00pm Melbourne, Australia time on a business day, except where otherwise determined by Vanguard. If a cheque cannot be honoured (e.g. due to insufficient funds or validation issues), Vanguard reserves the right to cancel the transaction.

Existing investors - additional investments

You may choose to make an additional investment into your existing Vanguard Investor Fund(s) or into a new Fund.

An additional investment may be funded via one of the following methods:

- BPAY®
- Cheque

A minimum of \$1,000 is required for additional investments made by cheque and \$100 made by BPAY. Vanguard, at its discretion, may accept other investment amounts.

Please note that additional investments made by cheque must be accompanied by an Additional Investment Form. You can access an Additional Investment Form by visiting our website or contacting Client Services on 1300 655 101.

! *It is a condition of using the BPAY[®] facility and a condition of submitting the Additional Investment Form, that you obtain and read the current PDS for the Fund into which you are investing prior to making each and every investment in a Fund, as the PDS may be updated or replaced between the time you last invested and when you make request. Alternatively you can download a copy by visiting the Vanguard website at www.vanguard.com.au/offerdocuments or request a copy from Client Services your next investment in the Fund. A copy of the most up-to-date PDS (including any supplementary PDS) will be provided free of charge upon on 1300 655 101.*

Payment methods

BPAY[®]

Vanguard may offer a BPAY facility to enable you to transfer money from your bank account to invest in the Funds. BPAY is a service and registered trademark of BPAY Pty Ltd ABN 69 079 137 518.

When making an additional investment to an existing Fund or a new Fund via BPAY, there is no requirement to complete any additional Vanguard forms. For details on how to use the BPAY facility via your financial institutions telephone or internet banking service, please contact Client Services on 1300 655 101.

Investors wishing to invest into a new Fund will need to contact Client Services on 1300 655 101 to obtain the BPAY Code and Customer Reference Number for the new Fund.

Please note that although your BPAY transaction may be processed from your bank account immediately, your funds and payment instructions may take some time to be transferred to Vanguard from your financial institution. Provided your BPAY request is made before your financial institution's cut-off time, Vanguard will typically receive your funds before 2:00pm Melbourne, Australia time on the following business day. Units will only be issued once we receive your funds, and at the unit price applicable to the day payment is received.

BPAY transactions cannot generally be reversed. Payments using credit card accounts cannot be made via BPAY. Any query on a BPAY transaction should be directed to your financial institution.

Cheque

To make an additional investment by cheque, attach the cheque to a completed Additional Investment Form and return it to Vanguard via post.

Cheques should be made payable to "Vanguard Investor Funds". Vanguard will accept and process cheques received as cleared funds if received by 2:00pm Melbourne, Australia time on a business day, except where otherwise determined by Vanguard. If a cheque cannot be honoured (e.g. due to insufficient funds or validation issues), Vanguard reserves the right to cancel the transaction.

Other payment methods

In certain limited situations, Vanguard may, at its discretion, make other payment facilities such as direct credit available to you. In these circumstances, Vanguard will provide you instructions on how to make your payment. If you wish to receive the unit price for the day you make your direct credit, Vanguard needs to receive a fax copy of the bank receipt that confirms the transfer, by 2:00pm Melbourne, Australia time on a business day, except where otherwise determined by Vanguard.

Cut-off times

The cut-off time for processing application instructions, is normally 2:00pm Melbourne, Australia time on a business day. An earlier cut-off time may be adopted on business days when financial markets have shortened trading hours (for example, the last business day before Christmas day).

Application instructions received by the cut-off time, will be processed at the applicable purchase price to be applied for that business day. The purchase price applicable for that day will not be known until the next business day. Units are issued at the purchase price calculated at the next valuation point after acceptance of your application.

Where an application instruction is received after the cut-off time, the application will be processed at the next applicable purchase price, as if it had been received on the following business day.

Changes to the cut-off times will be published on our website. You should check the website if you are contemplating a transaction.

Withdrawals

Withdrawal requests

To make a withdrawal from your existing Vanguard account, you must complete a Withdrawal Form and return it to us by fax or post. In order to access a Withdrawal Form, please visit the Vanguard website or contact Client Services on 1300 655 101.

The minimum withdrawal amount is \$1,000 for each Fund. The minimum account balance is \$3,000 for each Fund. If your withdrawal request takes your Fund balance below this minimum, we reserve the right to treat your request as a full withdrawal from that Fund.

Withdrawal proceeds will be paid by Electronic Funds Transfer (EFT) into your nominated Australian bank account or by cheque. Vanguard will not process payments to third party bank accounts. In certain circumstances, if we are unable to verify your

nominated bank account from the details you have previously provided or by contacting you, your withdrawal proceeds may be paid by cheque.

Subject to the constitutions of the Funds, withdrawal requests received which exceed 5 percent of a Fund's value, may be processed progressively over a period of up to 20 business days at the withdrawal prices applicable for each day on which a withdrawal is processed.

Subject to the constitutions of the Funds, there may be circumstances where Vanguard suspends withdrawals or delays the payment of withdrawal proceeds. For example, where there is a closure of an international market or exchange or during the first ten business days of July each year due to end of financial year activities for the Funds.

While a Fund is liquid for the purposes of the Corporations Act 2001 (Cth) (Corporations Act), Vanguard must redeem your units in accordance with the relevant Fund's constitution on request. A Fund is liquid if 80 percent of the value of a Fund's assets is held in liquid assets as defined in the Corporations Act. If a Fund is illiquid, a withdrawal request must be dealt with in accordance with the Fund's constitution and the Corporations Act. You may not be able to withdraw your investment in a timely manner if a Fund is illiquid. It is not expected that any of the Funds will be illiquid.

On withdrawal of units Vanguard may deduct from any amount to be paid to an investor, any amount due by the investor to Vanguard. Withdrawing units may give rise to tax consequences and it is recommended that you check the tax implications with your tax adviser before withdrawing. Amounts made available to satisfy a withdrawal request may accrue interest pending payment to you. Any such interest will be retained for the benefit of existing investors.

Subject to the constitutions of the Funds, Vanguard is allowed to set minimum unit holding limits. Vanguard may increase the minimum unit holding in the future such that Vanguard may treat a request by investors to withdraw some of their units in a Fund as a full withdrawal if the total value of the investors' units in that Fund is below the increase to the minimum holding. We will give you appropriate notice before increasing minimum holding limits for the Funds.

Cut-off times

The cut-off time for processing withdrawal instructions is normally 2:00pm Melbourne, Australia time on a business day. An earlier cut-off time may be adopted on business days when financial markets have shortened trading hours (for example, the last business day before Christmas day).

Withdrawal instructions must be received by the cut-off time in order to be processed at the applicable withdrawal price to be applied for that business day. The withdrawal price applicable for that day will not be known until the next business day. Units are withdrawn at the withdrawal price calculated at the next valuation point after receipt of your withdrawal request. Where a withdrawal request is received after the cut-off time, the withdrawal request will be processed at the next applicable withdrawal price, as if it had been received on the following business day.

Changes to the cut-off times will be published on our website. You should check the website if you are contemplating a transaction.

Switches

You may request that Vanguard switch all or part of your investment between Funds. This operates as a withdrawal of units from the existing Fund and an investment into units of the new Fund and you will need to meet the minimum initial investment requirement for that Fund. If you switch into one of the Vanguard Wholesale Funds not covered by this PDS, you will be required to submit a switching request and complete a Vanguard Wholesale Funds Application Form. To access a Switch Form, please visit the Vanguard website at www.vanguard.com.au or contact Client Services on 1300 655 101.

The minimum switch amount is \$1,000 for each Fund, or \$5,000 if you are a new investor in the Fund which you are switching into. If a switch causes your investment in a Fund to fall below \$3,000, we reserve the right to treat your instruction as an instruction to switch your full investment in that Fund.

Switching requests must be received by the prescribed time - 2:00pm Melbourne, Australia time on a business day except where otherwise determined by Vanguard - to be processed at the applicable withdrawal and purchase prices to be applied for that day.

The unit price applicable for that day will not be known until the next business day. When you request a switch, we will withdraw your existing units in the Fund at the next available withdrawal price and will use the proceeds to buy units in the new Fund at the applicable purchase price. The normal buy/sell spread will apply to switch transactions.

Switching requests received after the prescribed time will be processed at the applicable withdrawal and purchase price as if they had been received on the next business day.

! *It is a condition of submitting a Switch Form that you obtain and read the current PDS for the Fund you are switching into prior to making the investment, as the PDS for the Fund may be updated or replaced from time to time. A copy of the most up-to-date PDS (including any supplementary PDS) will be provided free of charge upon request. Alternatively you can download a copy by visiting the Vanguard website at www.vanguard.com.au/offerdocuments or request a copy from Client Services on 1300 655 101.*

Transfers

Vanguard may allow you to transfer units of a Fund to another person or entity in Australia as long as the value of the units transferred is at least \$5,000 and only if your remaining units in the Fund are valued at more than \$3,000 or if you would have no units in the Fund after the transfer (unless we determine otherwise). You and the recipient of the transferred units will need to complete a Transfer Form. The recipient will also be required to obtain the latest PDS, complete an Application Form and provide any supporting documentation as required before units can be transferred.

Transfers must be received by the prescribed time - 2:00pm Melbourne, Australia time on a business day except where otherwise determined by Vanguard - to be processed effective that day. Transfers received after the prescribed time will be processed as if they had been received on the next business day.

Transferring units may give rise to tax consequences and it is recommended that you check the tax implications with your tax adviser before transferring. Vanguard reserves the right to decline to register a transfer of units.

Unit pricing

The value of a unit is determined by dividing the net asset value for that Fund (total assets less total liabilities) by the number of units on issue in a Fund at the time of valuation (the valuation point). Units are usually valued daily, except on public holidays, if the market is closed or the Fund is suspended. The value of units will change from time to time as the market value of the assets rises or falls. The price you pay when contributing to a Fund (buying units) or receive when withdrawing from a Fund (selling units) is calculated as follows:

Buy price = net asset value per unit plus the buy spread
Sell price = net asset value per unit minus the sell spread

For the latest information on unit prices, please visit our website.

Policy on unit pricing

Vanguard has documented its policy in relation to various discretions that affect unit pricing within the Funds. The policy has been designed to meet the ASIC requirements and is available on request to all investors and prospective investors at no charge.

The policy explains Vanguard's approach in relation to buy/sell spreads, valuation methodology, rounding of decimal places, cut-off times for receiving instructions, the frequency of income distributions and unit pricing discretions generally.

A copy of the policy on unit pricing discretions can be obtained by contacting Client Services on 1300 655 101.

Impact of significant market events

Vanguard may determine to close a Fund to applications, withdrawals, switches and transfers where there are factors that Vanguard believes may prevent the accurate calculation of unit prices. This may include where markets are closed due to public holidays or when markets are closed in relevant countries. Generally, applications, withdrawals, switches, and transfers for the affected Fund(s), which are received on these days or after the cut-off time on the previous day, will be processed as if they had been received on the next business day following the affected dates.

Fund closures determined in advance as a result of a known public holiday and market closures are published on our website.

In some circumstances, Vanguard may determine to close a Fund to cash transactions but may remain open to accept in-specie transactions (where the payment is made in assets in kind instead of cash). This may include where a particular security or combination of securities in a Fund is subject to a trading halt or suspension announcement.

Impact of distributions

Investors should be aware that the price may include income accumulated in the Fund that is yet to be distributed. After a distribution, the Fund's unit price will reduce to reflect the distribution paid. This would similarly affect investors who sell units in a Fund. That is, the amount which an investor receives on withdrawal may be referable to income held in the Fund that is yet to be distributed, or which may be accumulated by Vanguard.

Vanguard may determine to pay distributions at times other than at the end of the normal distribution periods.

Impact of end of financial year

Unit prices, transaction confirmations, and the payment of withdrawal and distribution proceeds may be delayed in the first ten business days of July each year due to end of financial year activities for the Funds.

How to transact with us

Standard forms

Vanguard has standard forms that are to be used for transactions, including: additional investments, withdrawals, switches, transfers or change of account details. Investors (other than indirect investors) must use Vanguard standard forms when issuing Vanguard with transaction instructions - otherwise we may not process your instructions.

You can download Vanguard's standard forms from our website or contact Client Services on 1300 655 101 to find out more about how to transact with Vanguard.

Facsimile instructions

If you are advising Vanguard via facsimile in respect of instructions (including additional investments, withdrawals, switches, change of details and transfer requests) it is important to be aware that Vanguard:

- will only process your facsimile instruction if it is received in full and has been signed by authorised signatories
- is not responsible for any loss or delay that results from a facsimile transmission not being received by Vanguard
- will not accept a facsimile receipt confirmation from the sender's facsimile machine as evidence of receipt of the facsimile
- does not take responsibility for any fraudulently or incorrectly completed facsimile instructions
- will not compensate you for any losses relating to facsimiles, unless required by law. For example, you bear the risk that a facsimile may be sent by someone who knows your account details.

Please note that initial applications must be submitted online via Vanguard's website, sent via post, or delivered to the Vanguard office, as facsimile or email copies will not be processed.

In the event of fraud you agree to release, discharge and indemnify Vanguard from and against all actions, claims, demands, expenses and liabilities (however they arise) suffered by you or suffered by or brought against Vanguard, concerning the facsimile instructions, to the extent permitted by law.

Fund distributions

Distributions may include income earned by the Funds or any other amounts that Vanguard considers appropriate for distribution. As at the date of this PDS, Vanguard intends for the distributions made by the Funds to be based on the taxable income earned by the Funds for each year. The income of the Funds will generally include income earned on holding and disposing of the assets of the Fund.

Where the Fund is an AMIT (see further "Taxation" section below), as distributions for each period may be based on estimates or exclude certain types of income, the amount distributed may differ to the income attributed to investors for tax purposes. Any income of the Fund that is not distributed for the period will either be held back for distribution in a later period in the same financial year, or accumulated in the Fund. Vanguard may from time to time, review its approach to distributions and elect to distribute on an alternative basis.

Distributions will normally be paid within 15 business days following the end of the distribution period. The amount of distributions will vary from period to period and there may be periods in which no distribution is made. If this should occur, details will be available on our website.

Distributions are calculated on a per unit basis and will be paid to investors based on the number and class of units held as at the end of the distribution period.

The following table sets out the general distribution frequencies and dates for each fund. Distribution periods may change and Vanguard has the discretion to determine distributions at other times without notice to investors.

Cash Fund	Distribution frequency	Distribution date
Vanguard Investor Cash Plus Fund	Quarterly	31 March, 30 June, 30 September, 31 December
Asset Sector Index Funds		
Vanguard Index Diversified Bond Fund	Quarterly	31 March, 30 June, 30 September, 31 December
Vanguard Index Australian Shares Fund	Half yearly	30 June, 31 December
Vanguard High Yield Australian Shares Fund	Quarterly	31 March, 30 June, 30 September, 31 December
Vanguard Index Australian Property Securities Fund	Half yearly	30 June, 31 December
Vanguard Index International Shares Fund	Half yearly	30 June, 31 December
Vanguard Index Hedged International Shares Fund	Half yearly	30 June, 31 December
Diversified Index Funds		
Vanguard LifeStrategy® Conservative Fund	Half yearly	30 June, 31 December
Vanguard LifeStrategy® Balanced Fund	Half yearly	30 June, 31 December
Vanguard LifeStrategy® Growth Fund	Half yearly	30 June, 31 December
Vanguard LifeStrategy® High Growth Fund	Half yearly	30 June, 31 December

You may choose to have your distribution of income:

- reinvested in additional units; or
- paid directly to a nominated Australian bank account.

If you do not make a choice, distributions will automatically be reinvested in additional units in the Fund. Where your distribution of income is reinvested, the units you receive will be issued to you without a buy spread being added to the price you pay for those units. Vanguard reserves the right to reinvest any distributions following the death of the investor even if the investor's representative requests the distributions be credited to an Australian bank account.

You may change your standing instruction for distribution by providing us with your written instruction at least five business days before the end of the distribution period. To access a Change of Details Form, please visit the Vanguard website or contact Client Services on 1300 655 101.

Please note that, unless otherwise advised, your new instruction will also apply to all subsequent distributions.

Investor communication

The type of information that is available and you will receive as a direct investor in the Funds is described below. By visiting the Vanguard website at www.vanguard.com.au you can obtain up-to-date information about the Funds, as well as a range of educational tools.

Email is Vanguard's preferred means of sending you information relating to your investment. To receive information via email, please ensure you provide us with your email address on the Application Form.

Communication		Frequency	Website	Email	Mail	Vanguard Online
Fund information and investment forms						
PDS	A summary of significant information that you need to make a decision about whether to invest in a fund.	Ad hoc	x	•	•	
Transaction & Operational Costs Guide	Contains other important information that is taken to form part of the PDS	Ad hoc	x	•	•	
Standard Forms	Forms used to instruct Vanguard in relation to your investment in a fund.	Ad hoc	x	•	•	
Welcome brochure	A 'welcome to Vanguard' brochure when you first invest with Vanguard.	On first application		x	•	
Material information	Information that has not already been disclosed in the PDS and that may have an impact on a fund.	Ad hoc	x			
Unit prices and performance						
Unit prices	Details of the price you pay when contributing to a fund (buy price) or receive when withdrawing from a fund (sell price).	Daily	x			
Fund performance	Calculated and reported on a gross of fees, net of fees and after tax basis.	Monthly	x			
Fact sheets	Outlines the latest fund performance, portfolio composition and asset allocation of each Fund.	Monthly	x			
Account statements						
Transaction statements	Details the number of units purchased or withdrawn, applicable unit price, effective date of transaction and the new balance of units after the transaction.	Per transaction			•	x
Tax statement	Provides a summary of the distributions made to you during the financial year, as well as the relevant taxation information required to complete your Australian tax return.	Annual			•	x
Distribution statements	Details the breakdown of the distribution, relevant taxation information and payment details setting out the number of units held and the value of the distribution following each distribution.	After each fund distributes			•	x
Quarterly transaction statements	Sets out each transaction that occurred during the reporting quarter, the number of units held and the return for the period	Quarterly			•	x
Fund financial reports	Details the financial performance and operation of the Funds and the annual audited accounts for the financial year.	After 30 June	x	•	•	
Other						
Tools and calculators	Tools and calculators that show historical performance, calculate fees and currency impact, compare products and project superannuation savings.	Ad hoc	x			
Plain Talk® guides	Vanguard's Plain Talk guides are designed to provide easy to understand information on a variety of investment topics.	Ad hoc	x		•	
Smart Investing	Vanguard's weekly e-newsletter offering news and views from Vanguard.	Weekly	x	•		

X Vanguard will provide this regardless of how you elect to receive this information.

- You must elect to receive information in this manner. Please contact Client Services on 1300 655 101 for further information.

Vanguard Online®

Vanguard Online is a secure, online facility that keeps investors in touch with their investments.

Vanguard Online provides you with access to the following services:

Investment summaries	Access the latest balance or value of your total investment portfolio with Vanguard. View statement summaries with current account balance, unit prices and number of units held.
Statements	View and print your latest tax, distribution, transaction confirmations and quarterly transaction statements. You can also access historical statements.
Transaction history	View your transaction history online for each of your investments.
Balance search	Access your investment balance as at a particular date via the balance search option.
Mailbox	Your mailbox links directly to Vanguard Client Services. Use this facility to update your contact details, ask questions or provide feedback.

After your initial application for investment is accepted and you have made your initial investment, Vanguard will email you information on how to register for Vanguard Online. Please refer to the Vanguard website or contact Client Services on 1300 655 101 for more information.

Disclosing entities

Funds which are disclosing entities are subject to regular reporting and disclosure obligations. Where a Fund is a disclosing entity, we will meet our continuous disclosure obligations by disclosing new material information on the Vanguard website on the basis of ASIC's best practice disclosure recommendations for continuous disclosure. As at the date of this PDS, the Funds are disclosing entities.

Copies of documents lodged with the ASIC in relation to the Funds may be obtained from, or inspected at, an ASIC office.

Vanguard can also provide you with a hard copy of the following reports (free of charge):

- the annual financial report most recently lodged with ASIC for each Fund;
- any half-yearly fund financial reports lodged with ASIC in relation to a Fund after the lodgement of the above annual report and before the date of this PDS; and
- any continuous disclosure notices given for a Fund after the lodgement of an annual report.

If you wish to receive a hard copy of any of these reports, please contact Client Services on 1300 655 101.

Taxation

The tax information in this PDS is provided for general information only and is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for investors.

Vanguard does not provide tax advice. As each investor's circumstance is different, you should obtain professional tax advice concerning the particular tax implications of investing in the Funds for you. Discussion of tax in this PDS refers to the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth) as enacted, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice at the date of this PDS. Any changes in the tax law or interpretation of the tax law subsequent to this date will not be reflected in the tax information provided in this PDS.

Taxation of Australian resident investors

The tax information provided in this PDS relates to Australian tax residents who hold their units on capital account for income tax purposes and who are not exempt from taxation, and does not consider any non-Australian tax consequences. Investors who fall outside these categories (for example, investors who are foreign residents, hold their units on revenue account or as trading stock, or who have made a fair value or financial reports election under the taxation of financial arrangement ("TOFA") rules) should seek independent professional advice in relation to their specific circumstances.

Attribution Managed Investment Trusts (AMITs)

The Australian Government has enacted a new regime for the taxation of managed investment trusts (MITs), referred to as the Attribution Managed Investment Trust (AMIT) rules. Subject to eligibility, Vanguard may elect for a Fund to be classified as an AMIT and be subject to the AMIT rules.

Vanguard has assessed the eligibility of each of the Funds to elect into the AMIT regime and has disclosed on our website whether or not the AMIT regime will apply to each of the Funds.

For Funds that are subject to the new AMIT tax regime:

- The amount and components of the taxable income of the Fund which investors will be assessed on should be determined by reference to a statement provided by Vanguard to investors after the end of the year, known as the AMIT Member Annual Statement ("AMMA statement"). The AMMA statement will set out the amount and character of each component of the income of the relevant Fund which Vanguard attributes to the investor each year and which the investor should be assessed on.
- If the amount distributed to an investor exceeds the taxable income attributed to the investor, investors should be required to recognise a decrease in the tax cost base of their units in the Fund. If the taxable income attributed to an investor exceeds the amount distributed, then investors should be entitled to an increase in the tax cost base of their units. Vanguard's estimate of these net cost base increase or decrease amounts will also be disclosed to investors through the AMMA statement.
- It is possible for the amount of taxable income that is attributed to an investor to differ from and exceed the amount distributed to an investor. This is likely to arise where Vanguard determines to accumulate taxable income in accordance with the Fund constitution. In this instance, the investor should be entitled to a net increase in the cost base of their units, as discussed above.
- The Constitution for the Fund sets out the basis upon which Vanguard will attribute the taxable income of the Funds to investors. This should be based on the components of income that are reflected in the distributions made to investors during the year and, in relation to income that is accumulated, a pro rata attribution of this income to investors at the time determined by Vanguard for this purpose.
- Although Vanguard expects that the Funds will be taxed under the AMIT tax regime, the Constitutions for the Funds will also provide for a situation where the Funds are non-AMIT. The taxation of a non-AMIT Fund is discussed below.

Non - Attribution Managed Investment Trusts (non-AMIT)

A Fund that does not qualify or elect to be an AMIT will be subject to the ordinary trust taxation provisions in the tax legislation. Broadly, investors in a fund that is a non-AMIT will be distributed and made "presently entitled" to all of the income of the Fund each year, and will be assessed on their proportionate share of the taxable income of the Fund each year.

Investors will be provided with tax statements after the end of each financial year detailing the components, for income tax purposes, of any net taxable income of the relevant Fund that they may be assessed on for the financial year as a result of their entitlements to the income of the relevant Fund. This information should assist investors in preparing their tax return for the year.

Categories of income from the Funds

Franking credits

For each of the Funds that invest in Australian equities, the tax components on which you are assessed as a result of your investment in a Fund may include franking credits attached to franked dividends derived by the Fund in respect of Australian equities. Subject to the relevant qualification requirements (including 45 day holding period and related payments rule) these franking credits do not form part of your cash receipts but will need to be included in your taxable income and, depending on your particular circumstances, may be available to offset your tax liability. Certain investors may also be entitled to a refund if the franking credits exceed your total income tax liability.

Foreign income

Income received by a Fund from sources outside Australia may be subject to tax in the country of source. Australian tax resident investors may be entitled to claim a foreign income tax offset against their Australian tax liability in respect of their share of the foreign tax paid.

Capital gains

Where you become assessed on a net capital gain from a Fund, to the extent the net capital gain includes a discounted gain, you may be required to gross up the net capital gain by doubling the discounted gain component. You may then apply any of your current or prior year capital losses to reduce the grossed up capital gain.

Depending on your circumstances, you may be able to apply the capital gains tax (CGT) discount (50 percent for individuals and certain trusts and 33.33 percent for complying superannuation funds) to arrive at your net capital gain. This amount should be included in the calculation of your taxable income.

As the Funds are trusts and are eligible for the discount capital gains concession, they may distribute (where a Fund is not an AMIT) or attribute (where a Fund is an AMIT) amounts that are referable to the discount capital gains concession. Depending on your circumstances, the receipt or attribution of those amounts may not be assessable and may not result in a reduction in the cost base of your units in the Funds.

CGT tax election

There are tax rules that allow an eligible "managed investment trust" to make an irrevocable election to apply the CGT rules as the primary code for the taxation of gains and losses on disposal of certain assets by a Fund. Vanguard has made this election for the Funds that are eligible.

Non-assessable distributions

A Fund may make distributions of amounts which are non-assessable to the investor, such as amounts that are referable to the discount capital gains concession. Receipt of certain non-assessable amounts may have CGT consequences, including the potential for cost base adjustments for investors, depending on their circumstances, and subject to the discussion above regarding capital gains concession amounts. The way in which these cost base adjustments operate can differ depending on whether a Fund is an AMIT or non-AMIT.

Other gains

Gains and losses in relation to investments of certain Funds, including foreign currency gains arising from the investment of the Funds, may be assessed as income under provisions other than the capital gains tax provisions of the Income Tax Assessment Act 1997 (Cth). The net taxable income of a Fund on which you are assessed may include a component of assessable income which is referable to those gains.

Disposal of units

Investors may be liable for tax on gains realised on the disposal of units in the Funds. Disposal of units may be in the form of a withdrawal, a switch between Funds or a transfer of units.

Under the CGT provisions, any taxable capital gain arising on disposal of your units may form part of your assessable income. Some investors may be eligible for the CGT discount upon disposal of their units if the units are held for at least 12 months or more before the disposal, and certain other requirements are satisfied. You should obtain professional tax advice about the availability of the CGT discount.

Any capital loss arising on a disposal of units may be able to be offset against capital gains arising in that year or subsequent years.

Taxation of non-resident investors

If you are not a resident of Australia for tax purposes, Vanguard may be required to withhold Australian tax on certain distributions made to you.

If the Fund is an AMIT and you are attributed with certain components of the taxable income of the Fund without having been distributed those amounts, Vanguard is required under the AMIT regime to pay tax on that income on your behalf and is entitled to be indemnified by you in respect of the relevant amount. Under the Constitution for the Funds, Vanguard may satisfy this indemnity by deducting the relevant amount from any payments made to you or through a compulsory redemption of units.

Generally, a non-resident investor should not be liable for Australian CGT in respect of the disposal of their units in the Funds, if the Funds and the non-resident investor satisfy certain requirements at the time of disposal. It is very important that non-resident investors seek independent tax advice before investing in the Funds which takes into account their particular circumstances and the provisions of any relevant double tax agreement between Australia and their country of residence. It is particularly important that Australian tax advice is obtained if the non-resident investor is assessed on the disposal of their units in the Funds otherwise than under the CGT provisions.

Quoting your Tax File Number (TFN) or TFN exemption or Australian Business Number (ABN)

Collection of your TFN is authorised and its use and disclosure are strictly regulated by the tax laws and the Privacy Act 1988. You may quote a TFN or claim a TFN exemption in relation to your investment in a Fund when completing your Application Form. If you choose not to quote a TFN or TFN exemption, Vanguard will be required to deduct tax at the prescribed rate (at the date of this PDS this was the highest marginal tax rate plus any applicable levies).

You may quote your ABN instead of a TFN if you are making this investment in the course of an enterprise carried on by you.

Social security

Investing in the Funds may affect your social security entitlements because your investment may be included in the income and assets tests of Centrelink and the Department of Veterans' Affairs. You should obtain professional advice concerning your particular social security implications.

Goods and Services Tax (GST)

The issue and withdrawal of units in the Funds should not be subject to GST, irrespective of whether or not the investor is registered for GST. In the instance the investor is registered for GST, the acquisition, disposal and/or redemption of units in the Funds will generally constitute input taxed financial supplies. The receipt of distributions should not give rise to any GST consequences for investors, as such amounts are generally considered to be outside the scope of the GST regime.

Fees and expenses incurred by the Funds, such as management costs, will generally attract GST at the rate of 10 percent. Given the nature of the Funds' activities, the Funds will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, a Reduced Input Tax Credit (RITC) should be available to the GST paid on the expenses incurred by a Fund.

The GST and expected RITC relating to fees and expenses is incorporated in the management cost for each Fund. Individual investors should seek specific professional advice with respect to the GST consequences of their investments.

Other information

Funds

Proxy voting and engagement

Vanguard votes proxies in companies/funds where its Funds have a significant economic interest and it is reasonably practicable to do so. Details of Vanguard's proxy voting policy can be found on our website.

Custody of assets

The Funds hold units in other Vanguard funds (Underlying Funds) and are not expected to hold other securities in their own right. As such, the Funds operate without a separate custodian. The assets of the Funds are held by Vanguard as the responsible entity on trust for investors. Vanguard has appointed JP Morgan Chase Bank, N.A. (Sydney branch) (ABN 43 074 112 011) (JP Morgan) as custodian of the Underlying Funds.

In their capacity as custodian, JP Morgan provides custodial services to Vanguard (as responsible entity) and is responsible for the safekeeping of the assets of the Underlying Funds. The role of the custodian is generally limited to holding the assets of the Underlying Funds and acting on behalf of the responsible entity in accordance with proper instructions (except in limited circumstances where the custodian has a discretion to act without instructions).

The custodian has no supervisory obligation to ensure that Vanguard complies with its obligations as responsible entity of the Funds and generally does not make investment decisions in respect of the assets held or manage those assets. Vanguard will be liable to unit holders for acts and omissions of the appointed custodian.

The custodian may change from time to time but must satisfy any relevant regulatory requirements.

Termination

Vanguard may wind up the Funds or a Fund at any time on giving notice to unitholders. Following winding up, the net proceeds will be distributed to unitholders.

Vanguard

Vanguard as responsible entity and the investment manager

Vanguard, as the responsible entity, is solely responsible for the management and administration of the Funds and the Underlying Funds in which the Funds invest where applicable. Vanguard is also the investment manager for the Funds and Underlying Funds. Vanguard holds an Australian Financial Services Licence (AFSL 227263), which authorises it to act as the responsible entity of the Funds and Underlying Funds. The powers and duties of Vanguard are set out in each fund's constitution, the Corporations Act and general trust law. Vanguard has the power to appoint an agent, or otherwise engage a person (including any related entities or associates), to do anything that it is authorised to do in connection with the Funds and Underlying Funds. Vanguard has appointed other entities within the Vanguard group of companies to provide investment management related services to the Underlying Funds.

Retirement of Vanguard

Vanguard may retire as responsible entity of a Fund by calling a meeting of investors to enable investors to vote on a resolution to choose a company to be the new responsible entity. Vanguard may be removed from office by an extraordinary resolution (i.e. 50% of all units in the Fund entitled to vote, including members who are not present in person or by proxy) passed at a meeting of investors, in accordance with the Corporations Act.

Indemnities and limitation of liability of Vanguard

In general, Vanguard may act on the opinion of, advice of and information obtained from advisers and experts. In those cases, Vanguard is not liable for anything done in good faith in reliance on that opinion, advice or information.

Vanguard is indemnified out of each Fund against any expenses, loss, costs, damages and liabilities that may be incurred in properly performing any of its duties or prosecuting or defending any action or suit in connection with each of the Funds (other than if it arises out of Vanguard's fraud, negligence or breach of trust).

Vanguard is not liable personally to unitholders or other persons for failing to act except in the case of fraud, negligence or breach of trust.

Constitutions

Each Fund is a managed investment scheme governed by a constitution. Under the constitution, Vanguard has all the powers of a natural person in respect of the Funds. The constitution for each Fund sets out the rights and obligations of unitholders and the rights and obligations of Vanguard as responsible entity of the Funds. This PDS outlines some of the more important provisions of the constitutions.

The terms and conditions of the Fund's constitutions are binding on each investor in the relevant Fund and all persons claiming through them respectively, as if the investor or person were a party to the constitutions.

A copy of any of the Fund constitutions may be inspected by unitholders at Vanguard's office during business hours. Vanguard will provide investors with a copy of the required constitution upon request.

Amendments to the constitutions

Vanguard may amend the constitution of each Fund from time to time, subject to the provisions of the constitution and the Corporations Act. Generally, Vanguard can only amend a constitution where Vanguard reasonably believes that the change will not adversely affect your rights as an investor. Otherwise, a constitution can only be amended if approved at a meeting of investors.

Reimbursement of expenses

In addition to any other right of indemnity, which Vanguard may have under the Fund's constitutions or at law, Vanguard is indemnified and entitled to be reimbursed out of, or paid from, the assets of each of the Funds for all liabilities, losses, damages, expenses or costs incurred in the course of its office or in the administration or management of a particular Fund (other than if it is incurred by Vanguard's fraud, negligence or breach of trust). Without limitation, this includes amounts payable in properly performing any of its duties or exercising any of its powers.

Related party arrangements

The Responsible Entity is a wholly owned subsidiary of The Vanguard Group Inc. and part of the Vanguard Group. For these purposes, a related party includes certain entities and individuals that have a close relationship with the Responsible Entity, including, but not limited to The Vanguard Group Inc. itself, other subsidiaries of The Vanguard Group Inc. and other funds operated or managed by members of the Vanguard Group.

The Responsible Entity may from time to time use the services of related parties (including, but not limited to, investment management and administration) and pay commercial rates for these services. The Responsible Entity may also enter into financial or other transactions with related parties in relation to the assets of the Fund and such arrangements will be based on arm's length commercial terms or as otherwise permissible under the law.

In the course of managing the Fund the Responsible Entity may come across conflicts in relation to its duties to a Fund, related funds and its own interests. The Responsible Entity has internal policies and procedures in place to manage all conflict of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.

Compliance

The compliance plan

Vanguard has prepared and lodged compliance plans for each Fund with ASIC. The compliance plans set out the key criteria that Vanguard will follow to ensure that it is complying with the Corporations Act and each Fund's constitutions. Each year each compliance plan is independently audited, as required by the Corporations Act, and the auditor's report is lodged with ASIC.

The compliance committee

Vanguard is required to, and has, established a compliance committee with a majority of members that are external to Vanguard.

The compliance committee's functions include:

- monitoring Vanguard's compliance with the compliance plans and reporting its findings to Vanguard
- reporting breaches of the Corporations Act or the constitutions to Vanguard
- reporting to ASIC if the committee believes that Vanguard has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee
- assessing the adequacy of the compliance plans, recommending any changes and reporting these to Vanguard.

Investors

Indirect investors

You may invest in the Funds offered in this PDS indirectly (for example, through a master trust or a nominee or a custody service). If you invest in this manner certain information in this PDS may not be relevant to you such as: applications and withdrawals, income distributions, investor communication, fees and costs, how to open an account, cooling off rights and complaints (subject to the below). You should consult the relevant offer document or client agreement through which you have invested.

Vanguard's complaint and dispute resolution process as set out in this PDS will apply to both direct and indirect investors.

Cooling off

Retail investors, as defined in the Corporations Act, have the right to a 14 day cooling off period during which time you may request in writing that Vanguard repay your investment. The 14 day period commences either from the time the investment is confirmed by Vanguard or 5 business days after the units are issued, whichever is the earlier. The amount repaid to you under the cooling off provisions may be less than the amount you invested. The amount repaid will be based on the sell price applicable for the day the request is received, and may be reduced by tax or duty paid or payable by you in relation to the acquisition and termination of the investment.

The right to cool off may not apply if you invest indirectly (for example, through a master trust, wrap platform or a nominee or a custody service), even if you are a Retail investor. Indirect investors should seek advice from their platform operator or consult the relevant platform guide or similar type document as to whether cooling off rights apply.

Meeting of investors

Vanguard may convene a meeting of investors of a Fund at any time. Examples of circumstances where meetings may be called include to approve certain amendments to a Fund's constitution or to wind up a Fund. Unitholders also have limited rights to call meetings and have the right to vote at any unitholder meetings.

Except where a particular Fund constitution provides otherwise, or the Corporations Act requires otherwise, a resolution of unitholders must be passed by investors who hold units in the Fund exceeding 50% in value of the total value of all units held by unitholders who vote on the resolution.

A resolution passed at a meeting of investors held in accordance with a Fund's constitution binds all unitholders of that Fund.

Limitation of liability of investors

The Fund's constitutions provide that the liability of each investor is limited to their investment in a Fund and that an investor is not required to indemnify Vanguard or a creditor of Vanguard against any liability of Vanguard in respect of a Fund. However, no complete assurance can be given in this regard, as the ultimate liability of an investor has not been finally determined by the courts.

Complaints

If you have a complaint about a Fund or the services provided to you by Vanguard, please contact Client Services on 1300 655 101 from 8:00am to 6:00pm Melbourne time, Monday to Friday.

If your complaint is not resolved to your satisfaction, you can refer the matter in writing to:

Client Services Manager, Vanguard Investments Australia Ltd, GPO Box 3006, Melbourne, Vic, 3001.

Vanguard will try to resolve your complaint and get back to you as soon as possible, but in any event we will provide a final response within 45 days of receipt.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides a fair and independent financial services complaint resolution service that is free to consumers. You can contact AFCA on 1800 931 678 (free call) or email on info@afca.org.au.

Privacy

Vanguard is committed to respecting the privacy of your personal information.

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information. Vanguard's privacy policy states how Vanguard manages personal information. Vanguard collects personal information in the Application Form, and may collect additional personal information in the course of managing your investment in order to provide this product to you and to establish and manage your investment in a Fund. Vanguard may obtain information about the investor or any beneficial owners from third parties if it is believed this is necessary to comply with relevant laws. Vanguard may be required by law to disclose personal information to relevant regulators (whether in or outside of Australia).

If you do not provide the information requested in the Application Form, Vanguard may not be able to process or accept your application.

To obtain a copy of our privacy policy or to access or update your personal information, visit www.vanguard.com.au or contact Client Services on 1300 655 101 or write to GPO Box 3006, Melbourne, Vic, 3001.

US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

FATCA is a US law which impacts investors worldwide. FATCA attempts to minimise US income tax avoidance by US persons investing in foreign assets, including through their investments in foreign financial institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service (IRS).

Similarly, the Organisation for Economic Cooperation and Development (OECD) has established a reporting regime (CRS), which requires participating jurisdictions to obtain information from their financial institutions and exchange it with other participating jurisdictions as of 1 July 2017. Under FATCA, the Australian Government has entered into an Inter-Governmental Agreement (IGA) with the Government of the United States of America for reciprocal exchange of taxpayer information. Under the IGA, financial institutions operating in Australia report information to the Australian Taxation Office (ATO) rather than the IRS. The ATO may then pass the information on to the IRS.

The Fund may request such information or documents from you as is necessary to verify your identity and FATCA and CRS status, including self-certification forms. The Fund may disclose this information to the IRS or ATO (who may share this information with other tax authorities) as necessary to comply with FATCA, the IGA, CRS or applicable implementing law or regulation, which may include information about:

- Investors identified as US citizens or tax residents (information about corporations and trusts with US substantial owners or controlling persons will also be reported)
- All other investors identified as non-residents for CRS purposes (including non-resident controlling persons of certain entities)
- Investors who do not confirm their FATCA or CRS status
- Certain financial institutions that do not meet their FATCA obligations (non-participating foreign financial institutions)

Vanguard is not able to provide tax advice and strongly encourages investors to seek the advice of an experienced tax adviser to determine what actions investors may need to take in order to comply with FATCA and CRS.

Consents

FTSE, Bloomberg and MSCI have each given written consent to the statements made about them in this PDS as well as the disclaimers in the form and context in which they are included below, and have not withdrawn each of their consent as at the date of this PDS.

MSCI Disclaimer

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