



Vanguard® Diversified Funds

Vanguard multi-sector solutions



Vanguard's range of diversified funds

[Vanguard Conservative Index Fund](#)

[Vanguard Balanced Index Fund](#)

[Vanguard Growth Index Fund](#)

[Vanguard High Growth Index Fund](#)

Vanguard's diversified approach

Vanguard's diversified funds are professionally constructed and managed. Asset allocation parameters have been carefully designed to provide the optimal return outcomes for each risk profile based on historical asset class correlations. The funds have been reviewed and rated highly by Australia's leading research houses.

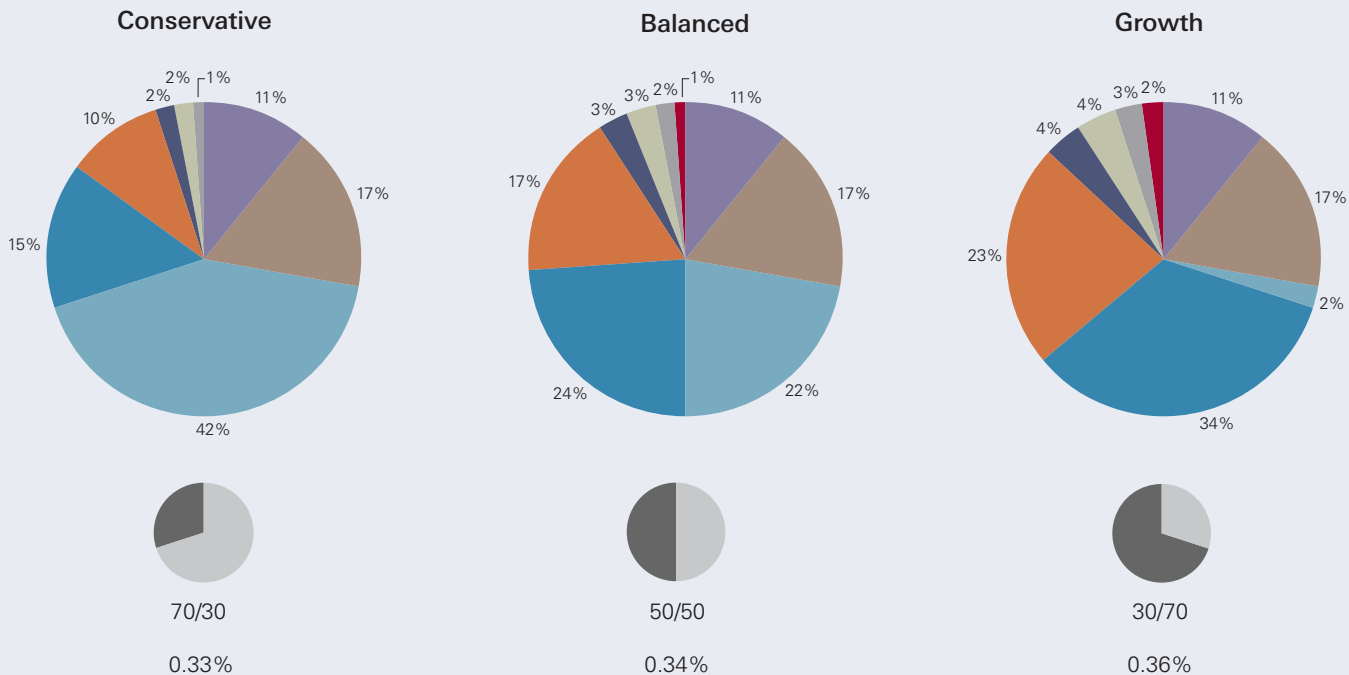
Our diversified funds offer a comprehensive low-touch portfolio solution. Assets are efficiently rebalanced to predefined strategic asset allocations to ensure target weightings are maintained for optimum performance.

“Vanguard's inexpensive multi-sector funds have consistently shown themselves to be among the best in the sector, a result of straight forward indexing and sensible portfolio construction. ”

Source: Morningstar Research Report: Multi-Sector,
30 June 2009

Vanguard Diversified Fund Asset Allocations

as at 31 December 2009



Benefits of Vanguard's Diversified Funds

Ease of management

Vanguard manages the asset allocation ensuring the funds are efficiently rebalanced back to their strategic asset allocations on an ongoing basis.

Low costs

With wholesale management costs of between 0.33 and 0.37 per cent per annum, Vanguard's fees are less than half the industry average.

Tax efficiency

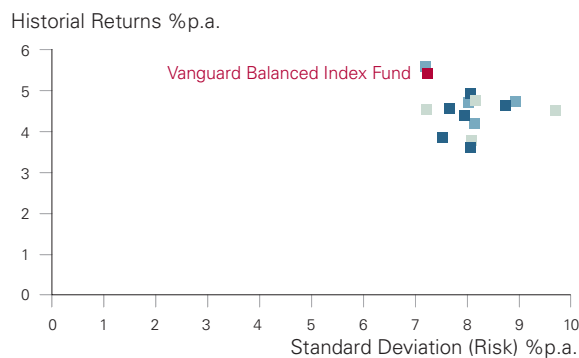
Vanguard's indexing approach minimises portfolio turnover to take advantage of available capital gains tax concessions. The compounding effect of having more money invested rather than paid out as taxable income is a distinct advantage over the long term.

Portfolio diversification

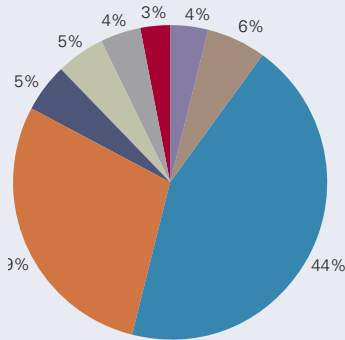
Diversifying security holdings across a market index can help mitigate exposure to performance fluctuation of individual securities. This offers the potential for greater consistency in returns relative to the market.

Competitive long term performance*

Vanguard's range of diversified index funds offer competitive long term performance. For example, the graph below compares Vanguard's Balanced Index Fund returns against the top 15 Australian multi-sector fund managers by size over five years. Over this period Vanguard's Balanced Index Fund has outperformed the vast majority of multi-sector funds, while offering similar comparative risk.



High Growth



10/90

0.37%



Income

Growth

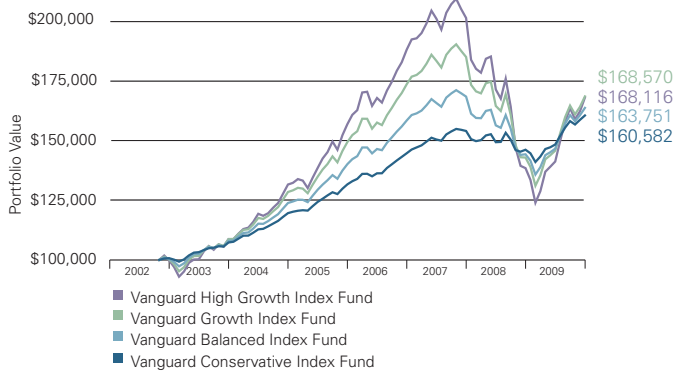
Income/Growth Allocation

Management Cost

Performance of a \$100,000 investment

From 31 October 2002 - 31 December 2009

The graph below depicts the growth of \$100,000 invested in Vanguard's range of diversified funds since inception.



Vanguard diversified solutions

Vanguard's diversified solutions are available across four investment profiles to suit conservative through to more aggressive investors. Each portfolio's asset allocation and underlying investments have been carefully constructed to match the appropriate investor profile.

Portfolio management

The broad level of diversification and efficient rebalancing within each fund makes them an ideal choice as a set and forget option for portfolio management. As each offering invests in a strategic blend of Vanguard index funds they can either be used as part of portfolio mix or as a standalone strategy. Aligning the risk/return profile of a fund with those of your client's provides a low-maintenance, all-in-one portfolio solution. This means simply choosing which risk profile suits your client and letting a professional investment manager take care of the rest.

* Past performance is not a indication of future performance. Our products are designed to closely track market returns before fees, expenses and taxes; investments are not guaranteed and may rise or fall in value. Data based on monthly returns series from January 2004 to December 2009*. Source: Vanguard and Morningstar. Assumes 100% reinvestment of distributions. Returns are after fees & before taxes. The results would be different if different or more funds or rebates were considered. No attempt was made to determine whether investments in international shares were hedged or unhedged. The comparison would be different if hedged international shares were only compared with other hedged international shares or unhedged international shares were only compared with unhedged international shares. Vanguard pays a fee to access data from Morningstar but did not commission this comparison of returns.

Connect with Vanguard™ > vanguard.com.au > 1300 655 205

As one Australia's leading fund managers, Vanguard offers a range of indexing strategies for both institutional and retail investors. Irrespective of which investment solution you choose, our focus remains the same - efficiently implementing your investment strategy to help you achieve superior investment results.

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