



Vanguard®

Vanguard® LifeStrategy® Conservative Fund

Vanguard fund profile



At a glance

As at 31 December 2011

APIR code	VAN0013AU
Management costs	
First \$50,000	0.90% p.a.
Next \$50,000	0.60% p.a.
Balance over \$100,000	0.35% p.a.
Buy spread	+0.12%
Sell spread	-0.09%
Commencement	26 October 1998
Minimum investment	\$5,000
Income distribution	Half yearly

Objective

The fund seeks to track the weighted average return of the target indices of the underlying Vanguard Wholesale Index Funds in which the fund invests, before taking into account fund fees and expenses. The weights used are the strategic asset allocations for each asset class.

Strategy

The portfolio targets a 70 per cent allocation to income oriented assets (cash and fixed interest securities) and 30 per cent allocation to growth oriented assets (property securities and shares). Actual allocations are permitted to deviate within a narrow tolerance range. The fund achieves its investment objective by investing in the underlying Vanguard Wholesale funds.

The underlying funds that make up the Vanguard® LifeStrategy® Conservative Fund include:

- Vanguard® Cash Plus Index Fund
- Vanguard® Australian Fixed Interest Index Fund
- Vanguard® International Fixed Interest Index Fund (Hedged)
- Vanguard® International Credit Securities Index Fund (Hedged)
- Vanguard® Australian Property Securities Index Fund
- Vanguard® International Properties Securities Index Fund (Hedged)
- Vanguard® Australian Shares Index Fund
- Vanguard® International Shares Index Fund
- Vanguard® International Small Companies Index Fund (Hedged)

Features and benefits

Diversification	Diversified portfolio favouring income oriented assets. The diversified approach lowers risk while providing opportunities for enhanced returns.
Income and long-term growth potential	Steady income with half yearly distributions as well as the potential for some capital growth.
Potential for better after-tax returns	A buy and hold strategy takes advantage of capital gains discounts and the deferral of capital gains liabilities, which may result in better after-tax returns.
Low cost	Low management costs with no entry, exit or switching fees other than usual buy/sell spreads.
Flexibility	Switch funds and make withdrawals with no associated costs other than usual buy/sell spreads.

Vanguard® LifeStrategy® Conservative Fund

Dated 31 December 2011

Overview

	Fund
Fund size (AUD)	\$6.9 Million
Inception date	26 October 1998
Management costs	0.90% pa - for that portion up to \$50,000 0.60% pa - for that portion from \$50,001 to \$100,000 0.35% pa - for that portion over \$100,000
Buy/sell spread	+0.12% / -0.09%
Benchmark	Weighted average return of target indexes

Performance return^{1,2} (%)

	Fund Gross	Bmk	Fund Total	Dist	Growth
1 month	0.35	0.38	0.28	1.59	-1.31
3 months	2.03	2.01	1.80	1.61	0.19
6 months	0.75	0.58	0.30	1.59	-1.29
1 year	3.39	3.04	2.47	6.36	-3.89
3 years (pa)	6.17	5.74	5.22	4.81	0.41
5 years (pa)	3.85	3.42	2.92	5.27	-2.35
10 years (pa)	5.77	5.44	4.82	5.35	-0.53
Inception (pa)	6.16	5.86	5.21	5.04	0.17

Year to year gross return^{1,2} (%)

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	3.39	3.04	0.75	0.58
2011	3.39	3.04	7.43	7.04
2010	5.41	4.99	8.93	8.28
2009	9.80	9.27	-0.33	-1.08
2008	-4.92	-5.58	-0.98	-1.09

Unit prices³

Net asset value	Purchase	Withdrawal
\$1.0398	\$1.0411	\$1.0388

Income distribution⁴

Half year ended	Amount (CPU)	Reinvestment price
31 December 2011	1.6494	\$1.0233

Notes

- Past performance is not an indication of future performance
- Returns assume reinvestment of all distributions. Returns for periods longer than 1 year are annualised. Fund gross returns are before management costs and taxes, but after transaction and operational costs. Fund total return is the fund gross return less management costs. Index returns do not allow for taxes, management, transaction and operational costs.
- Month end cumulative-distribution
- Past distributions are not an indication of future distributions

Asset allocation (%)

	Fund Actual	Target Alloc.	Range
Growth assets			
Australian shares	15.1	15.0	13-17%
Intl. shares (unhedged)	10.1	10.0	9-11%
Australian property securities	2.1	2.0	3-5%
Intl. property securities (hedged)	2.1	2.0	
Intl. small companies (hedged)	0.8	1.0	0-2%
Emerging markets shares (unhedged)	0.0	n/a	n/a
Total growth	30.2	30.0	28-32%
Income assets			
Australian fixed interest	11.5	11.0	9-13%
Intl. fixed interest (hedged) *	16.9	17.0	15-19%
Australian cash	41.4	42.0	40-44%
Total income	69.8	70.0	68-72%
Total	100.0	100.0	

* Vanguard International Fixed Interest Index Fund (Hedged) 10.9%, Vanguard International Credit Securities Index Fund (Hedged) 6.0%.

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