

# Financial Services Guide

Issuer: Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 RSE L0001335

Date: 30 June 2008

## Important information

The Financial Services Guide (FSG) is designed to assist you when deciding whether to make use of the financial services available through Vanguard. For example, it includes information about the financial services we provide, the remuneration we receive and how we would deal with any complaints you may have.

Before investing in any of our products, you will need to obtain a copy of the relevant Product Disclosure Statement (PDS). A PDS is an important document designed to explain the key features of a financial product. A PDS includes information about fees and charges, investment strategies, risks, tax, dispute resolution and cooling-off rights amongst other things. You can download a copy of the Vanguard Investor Index Funds PDS or Vanguard Personal Superannuation Plan PDS from [www.vanguard.com.au](http://www.vanguard.com.au) or call Vanguard Client Services on 1300 655 101.

## What financial services are available through Vanguard?

Vanguard holds an Australian Financial Services Licence (No. 227263) under the Corporations Act 2001. We are licensed to operate our managed funds and to issue and redeem interests in our managed funds, pooled superannuation trusts and superannuation fund and to provide general financial product advice in relation to these. We may also provide factual information regarding our investment products and information regarding the markets in which Vanguard's funds are invested.

General financial product advice does not take into account your personal financial situation, objectives or needs. Rather, it should be viewed as general information for you to consider and discuss with your financial adviser (after taking into account your circumstances) before making your investment decision. If you do not currently have a financial adviser, you can contact the Financial Planning Association of Australia Limited in your state for a list of qualified advisers.

Your dealings with Vanguard will be through our Client Services Team (correspondence or website). Our Client Services Team does not have any alliance with any other fund manager. Although our representatives do their best to assist you, they will be representing Vanguard.

## What are the fees, charges and commissions?

Vanguard does not charge any fees for any information or advice provided. Vanguard as manager of the funds receives management fees in relation to the investments we offer. These fees are described in detail in the relevant PDS. There are no commissions payable to Vanguard for any advice or service delivered. Vanguard funds do not have any adviser commissions built into their charging structure. Vanguard's staff receive a salary and may receive bonuses and other benefits from time to time. However, this remuneration is not specifically linked to the investments made by clients with whom they deal. None of our related companies, directors, employees or associates or Vanguard receive any other

remuneration or benefits in respect of financial services provided to Vanguard's retail clients.

## Public register of alternative remuneration

As a member of the Investment and Financial Services Association (IFSA), Vanguard is obliged to keep a public register which details any alternative form of remuneration that has been paid to or by Vanguard worth more than \$300 (for example, to advisers). You may view the register by visiting the Vanguard office.

## Rebates and related payments

Vanguard may from time to time enter into arrangements with certain wholesale investors who invest sizeable amounts in the funds under which we provide management cost rebates to those investors. Vanguard makes these payments from its own resources. Wholesale investors may contact Vanguard if they wish to apply for a management cost rebate.

Similarly, Vanguard may from time to time enter into arrangements under which we make payments to clients, such as platform providers, who are investing sizeable amounts in the funds on behalf of others. IFSA regards this type of payment as a 'fund manager payment'. IFSA classifies a fund manager payment as a rebate if the recipient passes the benefit on to the underlying investors and as a commission if retained by the recipient. Vanguard has no control over the application of fund manager payments and does not consider them to be commissions. The amount of each fund manager payment is decided by Vanguard at its discretion. Vanguard makes fund manager payments to platforms at a rate of up to 0.06% per annum on a weighted average basis (with regard to funds invested), as at September 2007.

Vanguard may also pay one-off or annual 'product access payments' to platform providers for offering the funds through their platforms. During the financial year ended 30 June 2007, the average product access payment was approximately \$4,100

per annum per platform per fund. Vanguard makes all product access payments from its own resources.

#### Insurance Coverage

Under the Corporations Act 2001 and regulations made under that Act Vanguard, as the holder of an Australian Financial Services Licence, is required to have professional indemnity insurance that is adequate having regard to the nature of our business and the potential for compensation claims. Vanguard has the benefit of insurance coverage for fraud and professional liability including Investment Company Blanket Bond and a policy of Directors & Officers/Errors & Omissions Liability Insurance, and is satisfied with the adequacy of that cover. The cover available to Vanguard extends to include losses arising from the conduct of former employees or representatives of Vanguard (which occurred during their employment with, or service for Vanguard) as if those persons were still employed by, or were still representatives of Vanguard.

Senior management reviews the insurance coverage and policies annually.

The Australian Securities and Investments Commission has also issued guidance for Australian Financial Services Licence holders as to the terms of cover that should be in place. This guidance becomes applicable to Vanguard on 31 December 2008. Vanguard is working towards ensuring full compliance with the guidance by that date.

#### Who do I contact if I have a complaint?

Vanguard prides itself on delivering exceptional client service and we are committed to handling any complaints quickly, fairly and in the strictest confidence. If you have a complaint you can:

1. Contact Vanguard Client Services. Refer to "Contacting Vanguard" below for details.
2. If your complaint is not resolved to your satisfaction within three business days, you can refer the matter in writing to:  
Manager, Client Services  
Vanguard Investments Australia Ltd  
GPO Box 3006FF  
Melbourne Vic 3001  
Or e-mail: [clientservices@vanguard.com.au](mailto:clientservices@vanguard.com.au)
3. In the event that you are not satisfied with the outcome of your complaint, you have the right to refer the matter to an external complaints resolution scheme. You can contact the Financial Industry Complaints Service Ltd (FICS), which from 1 July 2008 will be known as the Financial Ombudsman Services on 1800 335 405. However, if your complaint relates to your investment in the Vanguard Personal Superannuation Plan, the Superannuation Complaints Tribunal (SCT) may be the appropriate external body to contact. Refer to the Vanguard Personal Superannuation Plan PDS for further information about the SCT.

## Contacting Vanguard

#### Registered office

Level 34, Freshwater Place  
2 Southbank Boulevard  
Southbank Vic 3006  
Telephone: (03) 8888 3888

#### Postal address

GPO Box 3006FF  
Melbourne Vic 3001

#### Vanguard Client Services

8:00 am to 6:00 pm Melbourne time

Monday to Friday

Telephone: 1300 655 101

Facsimile: 1300 765 712

E-mail: [clientservices@vanguard.com.au](mailto:clientservices@vanguard.com.au)

Website: [www.vanguard.com.au](http://www.vanguard.com.au)

#### Vanguard Adviser Services

8:00 am to 6:00 pm Melbourne time

Monday to Friday

Telephone: 1300 655 205

Facsimile: 1300 765 712

E-mail: [adviserservices@vanguard.com.au](mailto:adviserservices@vanguard.com.au)

Website: [www.vanguard.com.au](http://www.vanguard.com.au)



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