

Vanguard Active Global Credit Bond Fund

This Product Disclosure Statement (**PDS**) is issued by Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 (Vanguard, we, us or our), and is a summary of significant information relating to the Vanguard Active Global Credit Bond Fund ("Fund") ARSN 633 925 694 ABN 59 628 785 605 APIR® Code VAN3932AU. Vanguard Investments Australia Ltd is the responsible entity of the Fund.

Contents

- 1 About Vanguard Investments Australia Ltd
- 2 How the Vanguard Active Global Credit Bond Fund works
- 3 Benefits of investing in the Vanguard Active Global Credit Bond Fund
- 4 Risks of managed investment schemes
- 5 How we invest your money
- 6 Fees and costs
- 7 How managed investment schemes are taxed
- 8 How to apply
- 9 Other information

This PDS is a summary of significant information you need to make a decision about the Fund. It includes references to other important information in the Vanguard Active Global Credit Bond Fund Reference Guide (**Reference Guide**) that is taken to form part of this PDS. These references begin with an exclamation mark **!** and are in *italics*. You should also consider the Reference Guide and other important information incorporated in this PDS before making your decision about the Fund.

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

Eligible investors

Please note that as at the date of this PDS, the Vanguard Wholesale Funds will no longer be accepting applications directly from individual and SMSF investors. Individual and SMSF investors can still access the Funds indirectly (for example, through Vanguard Personal Investor, a master trust, wrap platform or a nominee or custody service) or by application from a financial adviser. For investors investing indirectly, this PDS and Reference Guide should be used for information purposes only. We may change the types of investors eligible to make direct applications by notice on our website. To find out if you are eligible to invest in a Fund directly or if you would like further information regarding Vanguard Personal Investor, please visit www.vanguard.com.au/personal or contact us.

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 Fund are not intended to be sold to US Persons. US Person for this purpose is a person who is: (a) included in the definition of "US person" under Rule 902 of Regulation S of the US federal securities laws or (b) excluded from the definition of a "Non-United States Person" as used in the US commodity trading laws.

None of The Vanguard Group, Inc. (including Vanguard Investments Australia Ltd) nor any of their related entities, directors or officers guarantee the repayment of capital or the performance of the Fund. Vanguard or any of its related entities or associates may invest in, lend to or provide services to the Fund. Vanguard may also invest, lend to, or provide services to funds or accounts owned or managed by its related entities or perform services for 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.

If you would like to request a printed copy of this PDS or any of the other important information that forms part of this PDS, please contact us on 1300 655 102.

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1. About Vanguard Investments Australia Ltd

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 \$8.6 trillion in assets under management as of 31 March 2020. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

Vanguard is the responsible entity of the Fund. As responsible entity, Vanguard is solely responsible for the management and administration of the Fund. Vanguard is also the investment manager for the Fund and has appointed other entities within the Vanguard group of companies to provide investment management related services to the Fund. Investors will be notified of any future change in the investment manager of the Fund and this PDS will be updated accordingly.

Vanguard has appointed JP Morgan Chase Bank, N.A. (Sydney branch) (ABN 43 047 112 011) as custodian of the Fund.

2. How the Vanguard Active Global Credit Bond Fund works

The Fund is an Australian registered managed investment scheme. 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 Fund on behalf of all scheme members. The Australian Securities & Investments Commission (ASIC) has a website www.moneysmart.gov.au that has more information about managed investment schemes.

The Fund will (at least initially) invest substantially all of its assets in the Australian Dollar Hedged share-class ("AUD Hedged Class") of the Vanguard Global Credit Bond Fund ("Irish Fund"). The Irish Fund is a sub-fund of Vanguard Investment Series PLC, an investment company constituted as an umbrella fund with segregated sub-funds under the laws of Ireland and regulated by the Central Bank of Ireland under the European Communities (undertakings for Collective Investment In Transferable Securities) Regulations 2011 (as amended). For more information about the Irish Fund, please refer to the Vanguard Asset Management Limited website detailed in section '5. How we invest your money' below.

The Fund may in future invest directly in underlying securities consistent with the Fund's investment strategy and investment objective.

The Fund is divided into units. As an investor, you acquire units in the Fund. A unit represents a beneficial interest in the assets of the Fund as a whole (but not to any particular asset). Under the Fund's constitution, Vanguard is permitted to establish different classes of units. This PDS relates only to the wholesale class of units of the Fund.

Unit prices

The value of a unit is determined by dividing the net asset value attributable to the relevant class of units (total assets for that class less total liabilities for that class) by the number of units on issue in that class at the time of valuation.

Units in the Fund are usually valued daily, except on weekends and public holidays, if the market is closed or if withdrawals from the Fund are suspended. The value of units will change from time to time as the market value of the assets in the Fund rises or falls. The price you pay when applying for units in the Fund or receive when withdrawing from the Fund is generally calculated as follows:

- Application price = net asset value per unit plus the buy spread
- Withdrawal price = net asset value per unit minus the sell spread

The buy/sell spread will be Vanguard's reasonable estimate of the transaction costs that the Fund may incur when investing contributions and funding withdrawals. Any buy/sell spreads are retained in the Fund to meet these expenses and are not received by Vanguard. Please refer to section '6. Fees and costs' for any buy/sell spreads applicable to the Fund. For information on unit prices visit our website or contact Client Services on 1300 655 102.

Applications and withdrawals

Investors can acquire wholesale class units by completing the relevant application process. Subject to the minimum requirements in the table below and other applicable terms and conditions, you can increase your investment at any time by buying more units or decrease your investment by withdrawing or transferring some of your units.

Initial investment	\$500,000 ^A
Additional investment	\$5,000
Withdrawal	\$1,000
Transfer	\$500,000 ^B
Account balance	Nil ^C

^A Vanguard may accept a lesser amount at its discretion.

^B Vanguard may allow you to transfer your units in the Fund to another person in Australia.

^C Vanguard may impose a minimum account balance in the future.

In most circumstances, Vanguard permits investments via BPAY®.

Investors can request the withdrawal of all or part of their investment in the Fund by providing us with a withdrawal request. Withdrawals from the Fund are normally paid within four business days, however the constitution for the Fund allows withdrawal proceeds to be paid within a longer period. In some circumstances, including where there is a closure of a relevant market or exchange, a suspension of withdrawals or during the first ten business days of July each year due to end of financial year activities for the Fund, members may not be able to withdraw their funds within the usual period upon request.

Fund distributions

Distributions may include income earned by the Fund or any other amounts that Vanguard considers appropriate for distribution. As at the date of this PDS, Vanguard intends for distributions made by the Fund to resemble the earnings of the underlying portfolio. Please refer to 'Section 5. How we invest your money' for further information about the underlying portfolio. Vanguard may, from time to time, review its approach to distributions and elect to distribute on an alternative basis.

Distributions of the Fund will generally be made on a quarterly basis, however Vanguard may elect to distribute at other times. Distributions will normally be paid within four 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.

You can choose to have your distributions:

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

If you do not make a choice, distributions will be automatically reinvested in additional units in the Fund. Where your distribution 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 to be credited to an Australian bank account.

You may change your choice for distribution payments by completing a Change of Details Form located on our website. To ensure that the change to your distribution payments is effective for an upcoming distribution period, you should submit a Change of Details Form to Vanguard at least 5 business days before the end of that distribution period.

! *You should read the important information about applications, withdrawals (including BPAY® and transfers) and unit pricing in the Reference Guide before making a decision. Go to sections "Applications", "Withdrawals" and "Unit pricing" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to applications, withdrawals and unit pricing in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

Indirect investors

You may invest in the Fund indirectly (for example, through a master trust, wrap platform 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, investor communication, fees and costs, how to open an account and, cooling off rights. You should consult the offer document or client agreement through which you have invested.

3. Benefits of investing in the Vanguard Active Global Credit Bond Fund

The significant features and benefits of investing in the Fund include:

- **Global scale and expertise** – Access to investment expertise from Vanguard's international trading hubs and an experienced global team with a disciplined investment process leveraging deep research and global resources.
- **Diversification** – Exposure to a diversified portfolio of securities, which means the Fund is less exposed to the performance fluctuations of individual securities. This moderates the volatility of the portfolio and 'smooths out' investment returns over time.
- **Competitive long-term performance** – Vanguard's investment approach provides investors access to world class investment strategies that aim to outperform the market over the long term.

The significant features and benefits of investing with Vanguard include:

- **Stability and experience** - The Vanguard Group, Inc. was established in 1975 and has been a leader in low cost investing ever since. In Australia, Vanguard leverages the scale, experience and resources of our established global business. Investing in the Fund 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' interest 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.

4. Risks of managed investment schemes

All investments carry risk. It is important to keep in mind one of the principles of investing: the highest long-term returns may also carry the highest level of short-term risk. 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. Laws affecting registered managed investment schemes may change in the future. The appropriate level of risk for each person depends on a range of factors, including age, investment time frame, where other parts of the investor's wealth are invested and the investor's risk tolerance.

Significant risks of investing in the Fund

There is no guarantee that the value of your initial investment will be maintained. In other words, the value of your investment may rise or fall. Significant investment risks of the Fund may include:

- **Market risk** - Market risk is the possibility that market returns will overall decline. Financial markets tend to move in cycles, with periods of rising prices and periods of falling prices. It is important to note that the value of your investment can be directly or indirectly impacted by market risk and that you may not get back what you invested in the Fund.
- **Security specific risk** - The prices of securities the Fund invests in, either directly or indirectly (through a holding in another investment vehicle) can rise or fall independently of changes in the broad market. For example, the issuer of a directly held security could default on coupon payments or be downgraded which would in turn negatively impact the value of that specific security.
- **Unlisted fund security risk** - There is a risk that the manager of the Irish Fund may not meet its investment objective and its performance may differ to the broader market.
- **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 Fund.
- **Credit risk** - The issuer of fixed interest or debt securities may fail to pay interest and principal in a timely manner, or negative perceptions of the issuer's ability to make such payments may cause the price, and therefore value, of those securities to decline.
- **Counterparty risk** - The risk that the Fund may incur a loss due to the failure of a counterparty to meet their obligations under a contract. The Funds counterparties may include brokers, clearing houses and other agents.
- **Liquidity risk** - The risk that an investment manager's ability to invest and liquidate the assets may, from time to time, be restricted by the liquidity of the market for those securities. This may in turn cause the delay in payment of withdrawals; or, in the case of applications, the delay in acquiring those securities could adversely impact the performance of the Fund.
- **Regulatory risk** - There is a risk that the 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.
- **Fund risk** - Managed funds, in simple terms, pool the money of many individual investors. Therefore, investing in a managed fund may give rise to different outcomes as compared to investing in the underlying securities directly. As an investor in the Fund, your investment returns and tax treatment may be impacted by the applications and withdrawals of other investors, the fees and costs imposed by Vanguard and different tax outcomes related to the tax laws applicable to the Fund. In addition, there is a risk that Vanguard could be removed or replaced as the responsible entity and/or investment manager for the Fund or the Fund could terminate.
- **Manager risk** - The 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 the Fund to underperform the relevant benchmark or other funds with a similar investment strategy.
- **Operational risk** - There is a risk that Vanguard or another service provider, will fail to adequately administer or report accurately in relation to the Fund. There is also a risk that circumstances beyond Vanguard's control may prevent it from managing the Fund in accordance with the relevant 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.
- **Currency risk** - Where the Fund invests in securities denominated in a foreign currency, there is the chance that the value of the foreign currency denominated investment, measured in Australian dollars, will decrease because of unfavourable changes in currency exchange rates. This risk is mitigated through currency hedging activities undertaken by the Irish Fund. Derivatives are subject to risk - please refer to 'Derivative risk' for further information.
- **Interest rate risk** - 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.

5. How we invest your money

Warning: When it comes to choosing to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe.

Investment strategy and investment return objective

The Fund seeks to provide a moderate and sustainable level of current income through exposure to investment grade global credit fixed income bonds.

The Fund will implement its investment strategy by investing substantially all of its assets in the AUD Hedged Class of the Irish Fund. The Irish Fund seeks to provide a moderate and sustainable level of current income by investing in a diversified portfolio of global credit fixed income bonds. The Irish Fund invests in investment grade global credit fixed income bonds predominantly made up of corporate and non-corporate obligations, with a rating of the equivalent of Baa3 and above by Moody's or another rating agency or, if unrated, are determined to be of comparable credit quality by the Irish Fund's manager. The Irish Fund may also invest up to 10% of its total assets in high yield bonds.

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

Decisions regarding the interest rate structure of the Irish Fund's investments (i.e. the types and diversity of interest rates the investments have) are based on the underlying portfolio manager's outlook for the global economy, an in-depth valuation of the level and direction of interest rates; and the comparison of expectations of inflation reflected in the yields of fixed income debt securities and the prevailing level of inflation, and the impact of forecasted levels of real economic activity on inflation expectations.

The Bloomberg Barclays Global Aggregate Credit Index hedged into Australian dollars provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the US Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate indices. While the Irish Fund will invest substantially in components of the index, it is not tracking the index and may invest in securities that are not included in the index.

The Irish Fund may utilise derivatives such as foreign exchange spots, forwards, foreign exchange options, futures, credit default swaps, interest rate futures, currency swaps, credit default index swaps, interest rate swaps, total return swaps and spots, and call or put options within the limits set down by the Central Bank of Ireland. The Irish Fund may also enter into repurchase agreements and reverse repurchase agreements for the purposes of efficient portfolio management. The Irish Fund will seek to hedge its currency exposure back to the Australian dollar using forward foreign exchange contracts. The Irish Fund may invest no more than 10% of its assets in unhedged global currencies.

Vanguard Group (Ireland) Limited is the manager of the Irish Fund. Vanguard Global Advisors, LLC is the investment manager of the Irish Fund and has delegated management of the Irish Fund to Vanguard Asset Management Limited. The Irish Fund is not regulated in Australia. The information in this section about the Irish Fund is largely referenced from the prospectus for the Irish Fund. For further information, please refer to the Irish Fund prospectus by visiting the Vanguard Asset Management Limited website at www.vanguardinvestor.co.uk.

Strategic asset allocation*	Global bonds (Hedged to AUD) 100%
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 seeking exposure to an actively-managed diversified portfolio of global credit fixed interest securities that is relatively unaffected by currency fluctuations.

*This is a targeted strategic asset allocation. In addition, cash or cash-equivalent instruments may be held (directly or through investing in another Vanguard fund) for the purposes of liquidity management and derivatives may be used to manage market exposure.

! *You should read the important information about how we invest your money in the Reference Guide before making a decision. Go to section "How Vanguard invests" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to how we invest your money in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

Environmental, social, and ethical considerations

In the day to day management of the Fund, Vanguard does not apply ethical screening for labour standards or environmental, social or governance considerations (ESG) when selecting, retaining or realising investments for the Fund.

We acknowledge, however, that there may be instances when it is appropriate to screen for certain ESG issues. To that end, The Vanguard Group, Inc. has established a formal procedure for identifying and monitoring companies, for example, whose direct involvement in crimes against humanity or patterns of egregious abuses of human rights would warrant engagement or potential divestment.

The Vanguard Group, Inc. is also a signatory to the Principles for Responsible Investment (PRI). For more information about Vanguard's approach to engagement and environmental, social and governance issues, please refer to our website or contact institutional@vanguard.com.au.

Changing the investment strategy

Vanguard may, from time to time, vary the investment objective and/or strategy of the Fund, including to invest directly in the relevant underlying assets, rather than through the Irish Fund. Vanguard will notify investors of any such changes.

6. Fees and 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. You may be able to negotiate to pay lower contribution fees and management costs where applicable. 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 compare different fee options.

Our fees and costs

The following table shows the fees and other costs you may be charged. This information can be used to compare costs between different simple managed investment schemes. These fees and costs may be deducted from your account balance, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
Management costs	
The fees and costs for managing your investment	Vanguard's management fee 0.40% p.a.* Indirect costs 0.00% p.a.**

*The amount of this fee may be negotiated.

** Indirect costs are 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.

Transaction costs apply to the Fund. As at the date of this PDS, a buy spread up to 0.39% is charged on each application for units and a sell spread of 0.00% is deducted from each withdrawal. This amount is reflected in the application price and withdrawal price respectively for units in the Fund and is not separately charged to the investor.

Vanguard may vary the buy/sell spreads from time to time, including increasing these costs 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 our website.

The management fee for the Fund incorporates Goods and Services Tax (GST) after taking into account any expected input tax credits. Vanguard may change fees or introduce fees without your consent if permitted by the constitution for the Fund. At least 30 days prior notice will be given to unitholders before any management fee increase.

Additional explanation of fees and costs

Example of annual fees and costs

The following table provides an example of how the fees and costs for the Fund can affect your investment over a one year period.

You should use this table to compare this fund with other simple managed investment schemes.

Example – Vanguard Active Global Credit Bond Fund	Balance of \$500,000 with a contribution of \$5,000 during year
Contribution fees	Nil
PLUS management costs comprising:	For every additional \$5,000 you put in, you will be charged \$0. And , for every \$500,000 you have in the Fund you will be charged \$2,000 each year.
Vanguard's management fee:	0.40% p.a.
Indirect costs:	0.00% p.a.
EQUALS cost of fund	If you had an investment of \$500,000 at the beginning of the year and you put in \$5,000 during that year you will be charged fees of \$2,000 ^A . What it costs you will depend on the fees you negotiate with Vanguard.

^A Assumes that the \$5,000 contribution occurs on the last day of the year and that there is a constant account balance of \$500,000 throughout the year. Additional fees may apply.

^B A buy spread of up to 0.39% would also apply. For every \$5,000 you put in, you will be charged \$19.50

If you consult a financial adviser, you may have to pay additional fees to the adviser. Please refer to your Statement of Advice for details of these fees (if any).

Management costs

Management costs are made up of Vanguard's management fee that is deducted from the returns of the Fund and may include indirect costs.

The management fee is Vanguard's remuneration for managing and overseeing the operations of the Fund. Any expenses that Vanguard may recover from the Fund are paid out of this management fee and are not an additional cost deducted from the assets of the Fund. The amount of this fee can be negotiated. A management fee is also deducted from the assets of the underlying fund however this fee is fully rebated back to the Fund and so does not need to be counted in indirect costs of the Fund.

Indirect costs refers to the fees and other management costs (if any) arising from underlying funds (including the Irish Fund) and the costs of certain over-the-counter derivatives. Indirect costs are not an additional fee paid to Vanguard. The indirect costs are 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.

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. The Australian Securities & Investments Commission (ASIC) also has a managed funds fee calculator on their website at www.moneysmart.gov.au that can be used to calculate the impact of fees and costs on your account balance.

! *You should read the important information about fees and costs in the Reference Guide and transaction and operational costs in the Vanguard Transactional and Operational Costs Guide before making a decision. Go to section "Fees and costs" of the Reference Guide and the Vanguard Transactional and Operational Costs Guide located at www.vanguard.com.au/offerdocuments. The material relating to fees and costs in the Reference Guide and the Vanguard Transactional and Operational Costs Guide may change between the time when you read this PDS and the day when you acquire the product.*

7. How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

Registered managed investment schemes like the Fund generally do not pay tax on behalf of members. However, Vanguard may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on your share of any income and capital gains generated by the registered managed investment scheme.

The information below is a brief summary of the taxation information relating to Australian tax residents who hold their Fund units on capital account for income tax purposes. It assumes that the Fund qualifies as and elects to be an Attribution Managed Investment Trust (AMIT). Please refer to the website for the current taxation status of the Fund.

As an AMIT, Vanguard is required to attribute all of the taxable income of the Fund to investors each financial year. It is possible for investors to be attributed taxable income without receiving equivalent amounts of cash distributions. In this case, investors may be entitled to an increase in the tax cost base of their units.

Investors may be liable to pay tax on capital gains realised on the sale of units in the Fund, either by withdrawal or transfer. There may also be a distribution and/or attribution of taxable income associated with a withdrawal from the Fund in certain circumstances, such as where the size of the withdrawal exceeds a certain threshold.

Should the Fund not qualify as an AMIT at any time in a financial year, then Vanguard expects to pay cash distributions based on the Fund's taxable income. In this case, investors will be assessed for tax on their share of the net taxable income of the Fund (both income and capital gains generated by the Fund) in the year to which their entitlement relates, irrespective of whether the income is reinvested in additional units or the income payment occurs at a later date.

! *You should read the important information about taxation in the Reference Guide before making a decision. Go to section "Taxation" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to taxation in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

8. How to apply

To invest in the Fund:

1. Read this PDS.
2. Read the important information referenced in the Reference Guide.
3. Complete the applicable Vanguard Wholesale Funds Application Form. We need to collect this information in order to process your application, including to comply with Anti-Money Laundering and Counter-Terrorism Financing legislation.
4. Read and sign the declaration in the Application Form.
5. Attach your supporting identification documents, including any power of attorney authorisations.
6. Lodge your Application Form together with your supporting identification documents. We recommend that you keep copies for future reference.

For more information about the process to apply, please refer to the Reference Guide and the Application Form itself.

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 Fund, Vanguard will, subject to any legal and regulatory requirements, return your application money to you. You will not be entitled to interest on your application money in this circumstance. Vanguard is unable to process your application until all required information and/or supporting documentation is received.

Cooling off

If you invest \$500,000 or more in the Fund, you will generally be considered a wholesale investor. Wholesale investors, as defined in the *Corporations Act 2001 (Cth)*, do not have cooling off rights in relation to making an investment in the Fund.

However, if we exercise our discretion to accept an investment of less than \$500,000 in the Fund, you may have the same cooling off rights as a retail investor. Retail investors 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.

! *You should read the important information about applications in the Reference Guide before making a decision. Go to section "Applications" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to applications in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

Complaints

If you have a complaint about the Fund or the services provided to you by Vanguard, please contact Client Services on 1300 655 102 from 8:00am to 6:00pm (AEDT/AEST), 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.

9. Other Information

Investor communication

You can obtain up-to-date information about the Fund by visiting the Vanguard website. As an investor in the Fund, we'll keep you updated with any material information regarding your investment. For information that is sent directly to you, email is Vanguard's preferred means of sending you this information. Please ensure that you provide us with your email address on the Application Form.

Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations and we will meet our continuous disclosure obligations by disclosing new material information on the Vanguard website in accordance with ASIC's good practice guidance. Copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office. Vanguard can also provide you with a copy (free of charge) of the Annual Financial Report most recently lodged with ASIC, any half-yearly fund financial reports lodged with ASIC and any continuous disclosure notices given for the Fund after the lodgement of an annual report.

! *You should read the important information about investor communication in the Reference Guide before making a decision. Go to section "Investor communication" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to investor communication in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

Privacy policy

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

To obtain a copy of our privacy policy or to access or update your personal information, visit our website or contact Client Services on 1300 655 102 or write to GPO Box 3006, Melbourne, Vic, 3001.