

Vanguard Global Minimum Volatility Fund Vanguard Global Value Equity Fund Vanguard Global Multi-Factor Fund

This Product Disclosure Statement (PDS) is for the Vanguard 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.

Global Equity Funds	ARSN	ABN	APIR
Vanguard Global Value Equity Fund	613 053 062	71 928 129 734	VAN0074AU
Vanguard Global Minimum Volatility Fund	165 787 708	80 259 391 198	VAN0068AU
Vanguard Global Multi-Factor Fund	630 597 929	87 721 624 679	VAN3759AU

🚫 Eligible Investors

From 1 October 2020, direct new applications into the Funds are only permitted from institutional investors approved by Vanguard. New retail investors can access the Funds indirectly (for example, through Vanguard Personal Investor, a master trust, wrap platform or a nominee or custody service). 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.

Important Information

Vanguard has appointed FNZ Australia Pty Ltd (FNZ) as the fund administrator for retail investor accounts in the Funds (Retail Accounts). Vanguard will remain the fund administrator for certain existing institutional accounts as well as for new institutional accounts (Institutional Accounts). The transition of administration to FNZ from Vanguard is expected to occur from 16 October 2020 (Transition Date). We will notify you of any update to the Transition Date via notice on our website.

Due to operational variations between FNZ's administration of the Funds and that of Vanguard, there will be differences in the way the Retail and Institutional accounts operate. Any key differences impacting investors are set out in this PDS.

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. Vanguard or any of its related entities or associates may invest in, lend to or provide 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.

If you would like to request a printed copy of this PDS, please contact us.

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Level 13	GPO Box 3006	Telephone Advisers	1300 655 205
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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 \$8.8 trillion in assets under management as of 30 June 2020. 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. 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 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.

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

This PDS relates to the wholesale class of units for each of the Funds.

Fund Profiles

Vanguard Global Minimum Volatility Fund

For the latest information on the Vanguard Global Minimum Volatility Fund (referred to in this section as the “Fund”) including performance data, please visit the Vanguard website.

Investment objective	The Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.
Benchmark	FTSE Global All Cap Index (AUD Hedged)
Fund commencement date	06 July 2015
Minimum investment amounts	
Minimum initial investment	\$500,000
Minimum additional investment	Up to the Transition Date \$100 After the Transition Date \$10
Minimum account balance	Nil
Minimum transfer	\$500,000
Minimum withdrawal	No minimum
Payment of withdrawals^B	Generally within 3 business days*
Distribution frequency^C	Quarterly
Unit pricing frequency	Daily
Fees and costs	
Management costs^D	
Vanguard’s management fee (p.a.)	0.35%
Indirect costs (p.a.) ^E	0.00%
Establishment fee	Nil
Application/contribution fee	Nil
Withdrawal/redemption fee	Nil
Termination fee	Nil
Switching fee	Nil
Transfer fee	Nil
Buy spread (purchase) ^F	0.12%
Sell spread (withdrawal) ^F	0.12%

* The Fund’s constitution allows withdrawal proceeds to be paid within 30 days, 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 “Fund Distributions” for more information on when the distribution frequency may change.

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

E 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.

F Note that buy/sell spreads are estimates. Please refer to the section “Buy/sell spreads” for more information on buy/sell spreads.

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.

About the Fund

The Vanguard Global Minimum Volatility Fund invests primarily in global equity securities, including Australian equity securities, with the objective of providing lower volatility relative to the global equity market. To reduce volatility, Vanguard constructs a portfolio considering the risk and diversification characteristics of securities in the benchmark and seeks to hedge most of the currency exposure resulting from the Fund’s foreign equity holdings back to Australian dollars.

Investment strategy and investment return objective

The investment strategy of the Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

The Fund invests primarily in a group of global equity common stocks that together are deemed by the portfolio manager to have the potential to generate lower volatility relative to the broad equity markets. The portfolio will include a diverse mix of companies representing many different market sectors, countries, and industry groups. Vanguard uses a quantitative model to evaluate all of the securities in an investment universe that seeks to achieve the lowest amount of expected volatility subject to a set of reasonable constraints designed to foster portfolio diversification and liquidity.

Vanguard will seek to hedge most of the Fund’s currency exposure back to the Australian dollar to further reduce overall portfolio volatility. Currency hedging will typically be implemented through foreign currency exchange forward contracts.

The Fund may invest or be exposed to derivatives if the expected risks and rewards of the derivatives are consistent with the investment objective and strategy of the Fund. The Fund will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns. In particular, derivatives may be used to:

- Hedge foreign currency
- Invest in eligible asset classes with greater efficiency and lower cost than is possible through direct investment.

Derivative investments held by the Fund may include equity futures and options contracts, warrants, convertible securities, foreign currency exchange forward contracts, and swap agreements.

Further information about the Fund's investments is contained in the Fund Factsheet. This document should be read together with the current PDS for the Fund and is available on our website or can be obtained free of charge, on request.

Vanguard may from time to time vary the investment objective and/or strategy for the Fund. Vanguard will notify investors of any such changes in accordance with its regulatory requirements.

The Fund 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. Please refer to "Other Information" section for further details.

Borrowings

While the Funds' constitutions permit borrowing, Vanguard does not currently intend to borrow for the purposes of gearing. Where a Fund borrows, it will typically be for short term needs on a secured or unsecured basis. Fund assets may be used as security to support borrowings and other fund transactions. Any borrowing costs are borne by the Fund.

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Fund may maintain a variable balance of cash. To effectively manage this cash, the 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.

Environmental, social and ethical considerations

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

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.

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 the distributions made by the Fund to be based on the taxable income earned by the Fund for each year. The income of the Fund 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 generally be made on a quarterly basis, however Vanguard may elect to distribute at other times. Distributions will normally be paid within 10 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. Your new instruction will apply to all subsequent distributions.

Significant benefits of investing in the Vanguard Global Minimum Volatility Fund

Disciplined and systematic approach	The Fund aims to achieve long-term capital appreciation by using a quantitative model to assess the interaction between securities in the investment universe and their impact on the overall volatility of the portfolio. The Fund's investments will be selected based on the output of this model.
A focus on managing volatility	Investment decisions are made within a framework that considers risk factors relevant to volatility, including those associated with particular industries and securities. In addition, the Fund's currency-hedging reduces the potential impact of currency exchange rate volatility.
Global scale and expertise	The Fund offers access to investment expertise from Vanguard's international trading hubs and deep research expertise.
Enjoy the low costs expected from Vanguard	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.

Minimum suggested investment timeframe

5 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

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

While the Fund's objective is to provide lower volatility than the broad equity market, we caution against expecting any low or minimum volatility investment to outperform, or even match, the global equity market over the long term.

Significant risks of investing in the Vanguard Global Minimum Volatility Fund

In addition to the risks outlined on page 20, there are some additional risks specific to the Vanguard Global Minimum Volatility Fund:

Investment style risk

The chance that returns from the types of securities in which the Fund invests will trail returns from the overall equity market. In seeking to minimise volatility, the Fund may emphasise defensive-oriented securities, which typically lag the equity market during strong market rallies and conversely typically do better during equity market declines. The Fund also may invest in small- and mid-capitalisation securities. Historically, they often perform quite differently as compared to large-cap securities that dominate the equity market. However, past performance is not a reliable indicator of future performance.

Currency hedging risk

Forward foreign exchange contracts are used to manage currency risk for the Fund thereby reducing the impact of currency fluctuations on the return of the Fund. However, currency hedging involves costs and implementation risks due to the volatility of currency and securities markets, and may impact distributions from the Fund. When the Australian dollar is appreciating relative to other currencies, the gains from currency hedging may result in significant additional income being distributed from the Fund. Conversely, when the Australian dollar is depreciating relative to other currencies, the losses from currency hedging can totally offset other income received by the Fund, resulting in no income distribution for the period.

Vanguard Global Value Equity Fund

For the latest information on the Vanguard Global Value Equity Fund (referred to in this section as the “Fund”) including performance data, please visit the Vanguard website.

Investment objective	The Fund seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.
Benchmark^A	FTSE Developed All-Cap Index
Fund commencement date	8 September 2016
Minimum investment amounts^B	
Minimum initial investment	\$500,000
Minimum additional investment	Up to the Transition Date \$100 After the Transition Date \$10
Minimum account balance	Nil
Minimum transfer	\$500,000
Minimum withdrawal	No minimum
Payment of withdrawals^C	Generally within 3 business days*
Distribution frequency^D	Quarterly
Unit pricing frequency	Daily
Fees and costs	
Management costs^E	
Vanguard's management fee (p.a.)	0.35%
Indirect costs (p.a.) ^F	0.01%
Establishment fee	Nil
Application/contribution fee	Nil
Withdrawal/redemption fee	Nil
Termination fee	Nil
Switching fee	Nil
Transfer fee	Nil
Buy spread (purchase) ^G	0.08%
Sell spread (withdrawal) ^G	0.08%

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

A The Vanguard Global Value Equity Fund is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

B Vanguard may accept a lesser amount at its discretion.

C Please refer to the section “Withdrawals” for more information on when withdrawal payment times may be extended.

D Please refer to the section “Fund Distributions” for more information on when the distribution frequency may change.

E Please refer to the section “Additional explanation of fees and costs” for more information on management costs.

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 spread are estimates. Please refer to the section “Buy/sell spreads” for more information on buy/sell spreads.

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.

About the Fund

The Vanguard Global Value Equity Fund is an actively-managed investment strategy. It employs a rules-based quantitative approach that favours investing in global equity securities which have lower prices relative to their fundamental measures of value when compared to other securities in the investment universe.

Investment strategy and investment return objective

The Fund seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.

The Fund invests primarily in a group of global equity common stocks with the potential to generate higher returns relative to the broad equity market. The portfolio will include a diverse mix of companies representing many different market sectors, industry groups, and countries. Vanguard uses a rules-based quantitative model to evaluate all of the securities in an investment universe comprised of large and mid, and small capitalization stocks and to construct an equity portfolio that seeks to achieve exposure to securities with lower prices relative to fundamental measures of value subject to a set of reasonable constraints designed to foster portfolio diversification and liquidity. Securities with lower prices relative to fundamental value may be identified by measures such as book to price, earnings to price, and cash flow to price ratios.

This investment universe is drawn primarily from equity securities included in the FTSE Developed All Cap Index and the Russell 3000 Index.

The Fund may also invest in securities that cease to be or are expected to be included in the FTSE Developed All Cap Index and the Russell 3000 Index.

The Fund is unhedged and exposed to the fluctuating values of foreign currencies; these fluctuations may increase or decrease the value of the Fund.

Derivative investments held by the Fund may include equity futures, options contracts, warrants, convertible securities, and swap agreements.

The Fund may invest in other derivatives if the expected risks and rewards of the derivatives are consistent with the investment objective and strategy of the Fund. The Fund will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns. In particular, derivatives may be used to invest in eligible asset classes with greater efficiency and lower cost than is possible through direct investment.

Further information about the Fund's investments is contained in the Fund Factsheet. This document should be read together with the current PDS for the Fund and is available on our website or can be obtained free of charge, on request.

Vanguard may from time to time vary the investment objective and/or strategy for the Fund. Vanguard will notify investors of any such changes in accordance with its regulatory requirements.

The Fund 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. Please refer to "Other Information" section for further details.

Borrowings

While the Funds' constitutions permit borrowing, Vanguard does not currently intend to borrow for the purposes of gearing. Where a Fund borrows, it will typically be for short term needs on a secured or unsecured basis. Fund assets may be used as security to support borrowings and other fund transactions. Any borrowing costs are borne by the Fund.

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Fund may maintain a variable balance of cash. To effectively manage this cash, the 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.

Environmental, social and ethical considerations

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

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.

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Fund Distributions

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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 generally be made on a quarterly basis, however Vanguard may elect to distribute at other times. Distributions will normally be paid within 10 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.

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- 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. Your new instruction will apply to all subsequent distributions.

Significant benefits of investing in the Vanguard Global Value Equity Fund

Disciplined and systematic approach	The Fund aims to achieve long-term capital appreciation by using a rules-based quantitative investment process to identify and invest in securities that have low prices relative to their fundamental measures of value.
A focus on value-style investing	Investment decisions are made within a framework that aims to provide investors with a targeted exposure to value style investing.
Global scale and expertise	The Fund offers access to investment expertise from Vanguard's international trading hubs and deep research expertise.
Enjoy the low costs expected from Vanguard	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.

Minimum suggested investment timeframe

7 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 through value style investing in global securities.

Significant risks of investing in the Vanguard Global Value Equity Fund

In addition to the general risks outlined in this PDS, there are some additional risks specific to the Vanguard Global Value Equity Fund:

Investment style risk

The chance that returns from value style investing will trail returns from the overall equity market. Specific types of securities tend to go through cycles of doing better or worse than the equity market in general. These periods have, in the past, lasted for as long as several years and there can be no assurances that appreciation will occur in line with the broader equity market.

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.

Vanguard Global Multi-Factor Fund

For the latest information on the Vanguard Global Multi-Factor Fund (referred to in this section as the “Fund”) including performance data, please visit the Vanguard website.

Investment objective	The Fund seeks to provide long-term capital appreciation and aims to outperform the FTSE Developed All Cap Index (with net dividends reinvested) in Australian dollars Index before taking into account fees, expenses and tax.
Benchmark^A	FTSE Developed All-Cap Index (in AUD)
Fund commencement date	8 April 2019
Minimum investment amounts^B	
Minimum initial investment	\$500,000
Minimum additional investment	Up to the Transition Date \$100 After the Transition Date \$10
Minimum account balance	Nil
Minimum transfer	\$500,000
Minimum withdrawal	No minimum
Payment of withdrawals^C	Generally within 3 business days*
Distribution frequency^D	Quarterly
Unit pricing frequency	Daily
Fees and costs	
Management costs^E	
Vanguard’s management fee (p.a.)	0.35%
Indirect costs (p.a.) ^F	0.01%
Establishment fee	Nil
Application/contribution fee	Nil
Withdrawal/redemption fee	Nil
Termination fee	Nil
Switching fee	Nil
Transfer fee	Nil
Buy spread (purchase) ^G	0.08%
Sell spread (withdrawal) ^G	0.08%

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

A The Vanguard Global Multi-Factor Fund is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

B Vanguard may accept a lesser amount at its discretion.

C Please refer to the section “Withdrawals” for more information on when withdrawal payment times may be extended.

D Please refer to the section “Fund Distributions” for more information on when the distribution frequency may change.

E Please refer to the section “Additional explanation of fees and costs” for more information on management costs.

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 spread are estimates. Please refer to the section “Buy/sell spreads” for more information on buy/sell spreads.

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.

About the Fund

The Vanguard Global Multi-Factor Fund is a factor-based actively-managed investment strategy that aims to hold a portfolio of securities that exhibit strong recent performance (momentum factor), strong fundamentals (quality factor), and low prices relative to fundamental measures of value (value factor) as determined by the portfolio manager. It employs a rules-based quantitative process to evaluate securities based on these factors with an aim to outperform the index over the long term.

Investment strategy and investment return objective

The Fund seeks to provide long-term capital appreciation and aims to outperform the FTSE Developed All-Cap Index (with net dividends reinvested) in Australian dollars Index before taking into account fees, expenses and tax.

The Fund invests in a group of global equity common stocks with the potential to generate higher returns relative to the broad equity market. A rules-based quantitative process is employed to evaluate securities based on three factors:

- **Momentum**- stocks that exhibit strong recent performance
- **Quality**- stocks that exhibit strong profitability and healthy balance sheets
- **Value**- stocks with low prices relative to fundamental measures of value.

The portfolio includes a diverse mix of companies representing many different market sectors, industry groups, and countries. The portfolio manager uses a rules-based quantitative model to evaluate all of the securities in an investment universe comprised of large, mid and small capitalisation stocks to construct an equity portfolio that seeks to achieve exposure to these factors. After applying an

initial screen to remove the most volatile stocks in the universe, stocks are then selected according to their equally weighted ranking across the three factors.

The investment universe is comprised of securities in the FTSE Developed All-Cap Index (comprised of large, mid and small capitalisation securities in developed markets), and the Russell 3000 Index (comprised of the 3,000 largest publicly held companies in the US, and used to provide more access to US mid and small capitalisation securities). The Fund may also invest in securities that cease to be or are expected to be included in the indices.

The Fund is unhedged and exposed to the fluctuating values of foreign currencies; these fluctuations may increase or decrease the value of the Fund.

Derivative investments held by the Fund may include equity futures, options contracts, warrants, convertible securities, and swap agreements.

The Fund may invest in other derivatives if the expected risks and rewards of the derivatives are consistent with the investment objective and strategy of the Fund. The Fund will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns. In particular, derivatives may be used to invest in eligible asset classes with greater efficiency and lower cost than is possible through direct investment.

Further information about the Fund's investments is contained in the Fund Factsheet. This document should be read together with the current PDS for the Fund and is available on our website or can be obtained free of charge, on request.

Vanguard may from time to time vary the investment objective and/or strategy for the Fund. Vanguard will notify investors of any such changes in accordance with its regulatory requirements.

The Fund 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. Please refer to "Other Information" section for further details.

Borrowings

While the Funds' constitutions permit borrowing, Vanguard does not currently intend to borrow for the purposes of gearing. Where a Fund borrows, it will typically be for short term needs on a secured or unsecured basis. Fund assets may be used as security to support borrowings and other fund transactions. Any borrowing costs are borne by the Fund.

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Fund may maintain a variable balance of cash. To effectively manage this cash, the 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.

Environmental, social and ethical considerations

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

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.

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 the distributions made by the Fund to be based on the taxable income earned by the Fund for each year. The income of the Fund 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 generally be made on a quarterly basis, however Vanguard may elect to distribute at other times. Distributions will normally be paid within 10 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. Your new instruction will apply to all subsequent distributions.

Significant benefits of investing in the Vanguard Global Multi-Factor Fund

Disciplined and systematic approach	The Fund aims to achieve long-term capital appreciation by using a rules-based quantitative process that combines three factors (value, momentum and quality after an initial volatility screen).
Diversified	The Fund invests in a diversified portfolio of global equities.
Global scale and expertise	The Fund offers access to investment expertise from Vanguard's international trading hubs and deep research expertise.
Enjoy the low costs expected from Vanguard	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.

Minimum suggested investment timeframe

7 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 outperformance and diversification through factor based investing in global equities.

Significant risks of investing in the Vanguard Global Multi-Factor Fund

In addition to the general risks outlined in this PDS, there are some additional risks specific to the Vanguard Global Multi-Factor Fund:

Investment style risk

The chance that returns from factor style investing will trail returns from the overall equity market. Specific types of securities tend to go through cycles of doing better or worse than the equity market in general. These periods have, in the past, lasted for as long as several years and there can be no assurances that appreciation will occur in line with the broader equity market.

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.

General risks of managed investment schemes

All investments have some level of risk. Since each Fund has a different investment objective and strategy, risks 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
- 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.

In addition to the common significant risks below, please see the Fund Profiles section for the additional significant risks of investing in each Fund.

Significant risks of investing in the Funds

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 Funds.

Security specific risk

The prices of securities the Funds invests in, either directly or indirectly (through a holding in another investment vehicle) can rise or fall independently of changes in the broad market.

Derivative risk

A derivative is a contract between two or more parties 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 risk

The Funds 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 a borrower 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.

Regulatory risk

There is a risk that the Funds 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

The Funds may fail to meet their investment objectives due to Vanguard's investment selection or implementation processes which may cause the Funds to underperform relevant benchmarks or other funds with a similar investment objective.

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 one of the Funds, your investment returns may be impacted by the applications and withdrawals of other investors, the fees and costs imposed by the Vanguard and different tax outcomes related to the tax laws applicable to the Funds. In addition, there is a risk that Vanguard could be replaced as the responsible entity and/or investment manager for the Funds, or the Funds 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 the Funds or your investment in the Funds. There is also a risk that circumstances beyond Vanguard's control may prevent it from managing the Funds 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.

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. 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 and costs 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

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.

Tax information is 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.

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.		The management cost for each Fund incorporates Vanguard's management fee and an estimate of any indirect costs (if applicable).
Vanguard Global Minimum Volatility Fund	Vanguard's management fee: 0.35% p.a. Indirect costs: 0.00% p.a. ^B	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. The amount of this fee can be negotiated.
Vanguard Global Value Equity Fund	Vanguard's management fee: 0.35% p.a. Indirect costs: 0.01% p.a. ^B	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.
Vanguard Global Multi-Factor Fund	Vanguard's management fee: 0.35% p.a. Indirect costs: 0.01% p.a. ^B	
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil ^A	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.

B 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.

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

Example of annual fees and costs

The following table provides an example of how the fees and costs in the Vanguard Global Value Equity 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 Global Value Equity Fund		Balance of \$500,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS management costs, comprising:	0.36% p.a.	And , every \$500,000 you have in the Fund, you will be charged \$1,800 each year.
Vanguard's management fee:	0.35% p.a.	
Indirect costs:	0.01% p.a.	
EQUALS cost of fund		If you had an investment of \$500,000 at the beginning of the year and put in \$5,000 during that year you will be charged fees of \$1,800 ^{AB} . 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 balance of \$500,000 throughout the year. Additional fees may apply.
B A buy spread of 0.08% would also apply. For every \$5,000 you put in, you will be charged \$4.00.

Vanguard has a managed funds fee calculator on our website at www.vanguard.com.au 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 Funds' net asset value (or the relevant class of units where a 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. The amount of this fee can be negotiated.

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 paying from its 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 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 Funds as an additional expense to the management fee where permitted under the constitutions.

The management fee of investing in the Funds are 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 that Fund, to the extent that management fees 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. 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.

Changes to management fees

Vanguard may alter the management fee in accordance with the constitutions of the Funds. The constitution governing each Fund generally limits the amount of the management fee component (excluding GST) to 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 Funds 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, as permitted under the applicable constitution, although there is no current intention to do so.

Generally, the withdrawal fee could be up to the greater of \$50 or 0.50% of the amount withdrawn. The early withdrawal fee could be up to 0.50% of the amount withdrawn if units are withdrawn within a certain number of days after purchase.

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 Funds in accordance with their 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 a 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 a 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 a 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 transactional costs.

Further information about the Funds' 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 is 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 a fund may 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 that Fund's net asset value per unit (or the net asset value of the relevant class of units where a Fund has multiple classes). Investors who withdraw from a Fund will receive the withdrawal price calculated by deducting the sell spread from that Fund's net asset value per unit (or the net asset value of the relevant class of units where a Fund has multiple classes).

If a Fund receives applications and withdrawals on the same day there may be a reduction in either or both the buy and sell spread, as Vanguard may not need to buy or sell as many assets as would otherwise be the case. As a result, a Fund's transaction costs may be lower than normal. Vanguard passes its reasonable estimate of the reduction in transaction costs to investors in the form of a reduced buy or sell spread. Investors should note that this reduction in the buy/sell spread depends on investors' application and withdrawal activity on a particular day and cannot be predetermined. For further details of how buy/sell spreads and reductions are recalculated, you can request a copy of Vanguard's policy on unit pricing discretion.

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 a 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 and management fee rebates

No adviser will receive any commission from Vanguard relating to your investment in the Funds. Vanguard may from time to time enter into arrangements to provide management fee rebates to certain wholesale investors who invest sizeable amounts in the Funds. Vanguard makes these payments from its own resources.

Your guide to investing

❗ New direct applications for the Funds in this PDS are only permitted from institutional investors approved by Vanguard.

The Funds are available to other investors investing indirectly through Vanguard Personal Investor, a master trust, wrap platform or a nominee or custody service.

Initial applications and additional investments – Institutional Investors and Institutional Accounts

An initial application for investment must be made on a Vanguard Wholesale Funds Application Form. The Application Form and relevant supporting documentation must be sent via post, or delivered to our office. Facsimile or email copies will not be accepted. Vanguard will not process initial applications until all required information and/or supporting documentation is received. For more details on how to complete your application, please visit the Vanguard website.

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. Investments made in-specie (that is, where the payment is in assets in kind instead of cash) may be accepted at Vanguard's discretion.

The minimum initial investment amount for the Funds is \$500,000 per Fund. Vanguard, at its discretion, may accept lower investment amounts.

If you have an Institutional Account you may also make additional investments into your existing Fund(s).

Initial and additional investments may be funded via BPAY® or Direct credit. From Transition Date, we will no longer accept cheques from Institutional Account holders without prior approval.

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.

For additional investments there is no requirement to complete any additional Vanguard forms.

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 1:00pm AEDT/AEST on the following Melbourne 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.

❗ *It is a condition of using the BPAY facility and making additional investments that you obtain and read the current Product Disclosure Statement (PDS) together with the other important information taken to form part of the PDS, prior to making each and every investment in a Fund. From time to time, Vanguard updates its PDS and Reference Guide. The latest versions of these documents can be found on the Vanguard website or you can request a copy by contacting us.*

Direct credit

Once your investment account has been established, Vanguard will forward an email to you with details on how to complete your initial investment by direct credit.

If you wish to receive the unit price for the day that you make your direct credit payment, you will need to provide us a copy of the bank receipt to confirm the funds transfer by 1:00pm AEDT/AEST on a Melbourne business day, except where otherwise determined by Vanguard. If you do not provide a copy of the bank receipt, the effective date of your investment will correspond to the date that the funds are visible in our bank account.

To make an additional investment via direct credit, you must either complete an Additional Investment Form available on our website or send us a valid instruction via an approved electronic means, and forward your payment to the Vanguard Wholesale Application bank account. Please contact us to obtain the relevant bank account details.

❗ If five business days has lapsed since we received your original Vanguard Wholesale Funds Application Form, you will be required to submit an Additional Investment Form to accompany your funds transfer.

Additional investments – Existing Retail Accounts

If you have an existing Retail Account you may make an additional investment into your existing Vanguard Wholesale Fund(s) only. You may choose to make an additional investment into your existing Fund(s) by BPAY® or cheque subject to the following minimums

	As at the date of this PDS	From Transition Date
Minimum additional investment by BPAY®	\$100	\$10 (up to \$1,000,000 per transaction)
Minimum additional investment by cheque	\$5,000	\$100,000

BPAY®

When making an additional investment to an existing 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 us.

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 that your BPAY request is made before your financial institution's cut-off time, Vanguard will typically receive your funds before 1:00pm AEDT/AEST on the following Melbourne 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.

- ⓘ *It is a condition of using the BPAY facility and making additional investments that you obtain and read the current Product Disclosure Statement (PDS) together with the other important information taken to form part of the PDS, prior to making each and every investment in a Fund. From time to time, Vanguard updates its PDS and Reference Guide. The latest versions of these documents can be found on the Vanguard website at the following location vanguard.com.au/offer documents or you can request a copy by contacting us.*

Cheque

- ⓘ From the Transition Date, additional investment by cheque will only be available to Retail Account holders and for a minimum of \$100,000 per transaction.

To make an additional investment by cheque, attach the cheque to a completed Additional Investment Form and return it to Vanguard by post. Cheques are to be made payable to Vanguard Wholesale Funds. If a cheque cannot be honoured (e.g. due to insufficient funds or validation issues), Vanguard reserves the right to cancel the transaction. From the Transition Date, please note that additional investments received by cheque will not be processed until funds have cleared. Units will only be issued (i) once funds have cleared at our bank and (ii) at the unit prices applicable on the day funds have cleared.

Other forms of payment

Vanguard may accept other forms of payment at its absolute discretion, where appropriate. In exercising this discretion, Vanguard takes into account its duties as a responsible entity under section 601FC of the *Corporations Act 2001*, including acting in the best interests of investors.

If the other forms of payment cannot be settled, Vanguard reserves the right to cancel the transaction.

Cut-off times

The cut-off time for processing application instructions, is normally 1:00pm AEDT/AEST on a Melbourne 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

To make a withdrawal from your existing Vanguard account, you must complete a Withdrawal Form available on our website or by issuing an instruction through approved electronic means. Approved electronic means include Vanguard Online for eligible Retail Account holders (see 'Vanguard Online' below) or Calastone or SWIFT for Institutional Account holders.

There is no minimum withdrawal amount for any Fund. Withdrawal proceeds will be paid by Electronic Funds Transfer (EFT) into your nominated Australian bank account. Vanguard will not process payments to third party bank accounts. If we are unable to verify your nominated bank account from the details you previously provided or by contacting you, your withdrawal proceeds may be paid by cheque.

Subject to the constitution of the applicable Fund, Vanguard may decide to process withdrawal requests progressively over a period of up to 20 business days at the withdrawal price applicable for each day on which a withdrawal is processed, if withdrawal requests exceed a certain percentage of the Fund's value over a one or two day period.

Subject to the constitution of the applicable Fund, 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 10 business days of July each year due to end of financial year activities for the Funds. Your withdrawal proceeds may include an entitlement to distributable income. We may agree to meet the value of a withdrawal by transferring authorised investments from the relevant Fund. Investors should note that withdrawal proceeds will normally be funded out of the assets of the Funds and not from Vanguard's own resources.

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% of the value of the Fund's assets are 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.

The constitutions of the Funds allow Vanguard to set minimum unit holding limits. Apart from the minimum initial investment amount, Vanguard does not intend to enforce a minimum unit holding at the present time, except in the case of transfers. Vanguard may enforce a 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 minimum holding. We will give you appropriate notice before enforcing a minimum holding limit in relation to your fund holding.

Cut-off times

The cut-off time for processing withdrawal instructions is normally 1:00pm AEDT/AEST on a Melbourne 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 – For Institutional Accounts only

🔴 Switching all or part of an investment between the Funds is available for Institutional Accounts only.

Switching requests for Institutional Accounts must be received by the cut-off time - 1:00pm AEDT/AEST on a Melbourne business day, except where otherwise determined by Vanguard - to be processed at the applicable withdrawal and purchase prices to be applied for that business day.

Switching requests for Institutional Accounts received after the cut-off time will be processed at the applicable withdrawal and purchase prices as if they had been received on the following business day. The withdrawal and purchase prices applicable for that day will not be known until the next business day. A switch may give rise to an entitlement to distributable income (see 'Withdrawals' section for further information). A switch may give rise to tax consequences and it is recommended that you check the tax implications with your tax adviser before switching.

Transfers

ⓘ We no longer accept requests to transfer units in a Fund to another person or entity that are received except in the following circumstances:

- Transfers relating to a deceased estate;
- Transfers to minors who have come of age;
- Transfers that are required by law;
- The transfer is to an existing investor within the same Fund;
- Transfers to a qualifying institutional investor; or
- Any other purpose we deem appropriate at our discretion and with our prior approval.

You may request Vanguard to transfer units of a Fund for the reasons set out above. If you do not transfer your entire investment in a Fund, Vanguard may require that the value of the units transferred meets the applicable minimum investment amount. You (the transferor) and the recipient of the transferred units (the transferee) will need to complete a Transfer Form which is available on our website or by contacting us.

The transferee will also be required to obtain the latest PDS for the relevant Fund(s), complete a Vanguard Wholesale Funds Application Form and provide any supporting documentation as required before units can be transferred, unless the transferee is already an existing investor in the Fund that units are being transferred to.

Transfers must be received by the cut-off time - 1:00pm AEDT/AEST on a Melbourne business day except where otherwise determined by Vanguard - to be processed effective that day. Transfers received after the cut-off time will be processed as if they had been received on the next business day. Transferring units may give rise to tax consequences. We recommend that you consult your tax adviser before submitting a transfer request. 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 a Fund (total assets less total liabilities) by the number of units on issue in that Fund at the time of valuation (the valuation point). Units are usually valued daily, except on public holidays, if the market is closed or a 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 (redeeming 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 us.

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, a 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 relevant 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

Issuing instructions

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

You can contact us to find out more about how to transact with Vanguard. We will provide you with details on other ways you can transact with Vanguard by notice to you.

Facsimile instructions

ⓘ From the Transition Date, we will no longer accept investment or withdrawal instructions by facsimile. Vanguard may accept certain fax instruction from institutional investors after the Transition Date.

If at any time you are issuing instructions via facsimile (including additional investments, withdrawals and change of details) 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.

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.

Investor communication

Investor Communications – For Institutional Accounts

The type of information that is available to you as an institutional investor in the Funds is described below.

Communication		Frequency	Website	Email	Mail
Product Disclosure Statement(s)	A summary of significant information that you need to make a decision about investing in the Fund.	Ad Hoc	x	•	•
Reference Guide	Contains other important information that is taken to form part of the PDS.	Ad Hoc	x	•	•
Transaction & Operational Costs Guide	Contains other important information that is taken to form part of the PDS.	Ad Hoc	x	•	•
Application Forms	Contains information that Vanguard requires in order to establish your investment account.	Ad Hoc	x	•	•
Standard Forms	Forms used to instruct Vanguard in relation to your investment in a Fund.	Ad Hoc	x	•	•
Material information	Information that has not already been disclosed in the PDS and may otherwise have an impact on a Fund.	Ad Hoc	x		
Unit prices	The purchase price and withdrawal price for each Fund.	Daily	x		
Fund performance	Calculated and reported on a gross of fees, net of fees and after tax basis.	Monthly	x		
Fund fact sheets	Outlines the latest Fund performance, portfolio composition and asset allocation of each Fund.	Monthly	x		
Transaction confirmations	Details the number of units purchased or withdrawn, applicable unit price, effective date of the transaction and the new balance of units after the transaction.	After each transaction		Δ	•
Transaction statements	Details each transaction that occurred during the reporting month, the number of units held and the current value at month end for your investment(s).	Monthly		Δ	•
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.	Monthly or quarterly (as described in the PDS for the relevant Fund)		Δ	•
Tax statements	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.	After 30 June		Δ	•

x Vanguard will provide the information via this method, regardless of how you elect to receive it.

• You must elect to receive information in this manner. Please contact us for further information.

Δ Available to Institutional clients only via a transport layer security (TLS) connection.

Investor Communications – For Retail Accounts

The type of information that is available to you as a Retail Account holder in the Funds is described below.

Communication		Frequency	Website	Email	Mail	Vanguard Online
Fund information and investment forms						
Product Disclosure Statement(s)	A summary of significant information that you need to make a decision about investing in the Fund.	Ad Hoc	x	•	•	
Reference Guide	Contains other important information that is taken to form part of the PDS.	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	•	•
Material information	Information that has not already been disclosed in the PDS and may otherwise have an impact on a Fund.	Ad Hoc	x		
Unit prices and performance					
Unit prices	The purchase price and withdrawal price for each Fund.	Daily	x		
Fund performance	Calculated and reported on a gross of fees, net of fees and after tax basis.	Monthly	x		
Fund fact sheets	Outlines the latest Fund performance, portfolio composition and asset allocation of each Fund.	Monthly	x		
Account statements					
Transaction confirmations	Details the number of units purchased, withdrawn or transferred, applicable unit price, effective date of the transaction and the new balance of units after the transaction.	After each transaction		•	x
Transaction statements	Details each transaction that occurred during the reporting month, the number of units held and the current value at month end for your investment(s).	Monthly		•	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.	Monthly or quarterly (as described in the PDS for the relevant Fund)		•	x
Tax statements	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.	After 30 June		•	x

x Vanguard will provide the information via this method, regardless of how you elect to receive it.

• You must elect to receive information in this manner. Please contact Client Services us for further information.

Vanguard Online ® – For Retail Accounts only

As at the date of this PDS, Retail Account holders who are registered with Vanguard Online can access the following services through this system:

Investment summaries	Access the latest value of your total investment portfolio with Vanguard. View your 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.

From Transition Date, Vanguard Online will be enhanced to provide the following services to you if you are an eligible accountholder who has re-registered to use the new service. These include but are not limited to:

Account Details

Access and change your details You can access and change your Vanguard details including your contact details and password.

Transaction

Additional Investments	You can access the BPAY biller code and Customer Reference Number for your existing Fund in order to make an additional investment into that Fund.
Withdrawals	Issue a withdrawal instruction with respect to your investments.
Reporting	
Investment summaries	Access the latest value of your total investment portfolio with Vanguard. View your 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.
Communications	
Secure Message	Use this facility to ask questions provide feedback or send us instructions.

As at Transition Date, the new Vanguard Online services will only be available to eligible accountholders being:

- Primary and secondary accountholders on individual and joint accounts; and
- Trustee(s), director(s) and company secretary on SMSF, trust, company, partnership and association accounts.

For persons who are not eligible accountholders, such as those acting on Powers of Attorney or Authorised Representatives of an eligible accountholder, you can continue to provide us with investment and withdrawal instructions by using the Vanguard standard forms available on our website and sending them to us via post or to the dedicated email address thirdpartycontact@vanguard.com.au. Note: This email address will be available from the Transition Date.

Vanguard Online access is not available for the following account types:

- Accounts attached to a margin loan
- Accounts involving deceased estates.

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 our website on the basis of ASIC's best practice disclosure recommendations for continuous disclosure. As at the date of this PDS, the Funds are not 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 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 copy of any of these reports, please contact us.

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 non-resident of Australia for tax purposes, 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 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.

The AMIT rules also provide for qualifying AMITs that have multiple classes of units on issue to elect for each class to be treated as a separate trust for the purposes of determining and attributing the taxable income of the relevant trust to investors. Subject to eligibility and the election being in the best interests of investors, Vanguard may make this election for a multi-class Fund.

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 a 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 a 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 relevant 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. 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 a Fund's 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 each Fund sets out the basis upon which Vanguard will attribute the taxable income of a Fund 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. The constitution also allows for attribution to investors who redeem their units from a Fund in certain circumstances.
- 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 that Fund each year, and will be assessed on their proportionate share of the taxable income of that 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 the Funds may include franking credits attached to franked dividends derived by the Funds 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% for individuals and certain trusts and 33.33% 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 but may 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 the 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.

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.

Redemption income entitlement

If you dispose of your units by a withdrawal in certain circumstances (for example, where the size of your withdrawal exceeds a certain threshold), you may be distributed or attributed under the AMIT rules some of the taxable income of the relevant Fund. Vanguard will notify you at the end of the financial year if this occurs. Any distribution or attribution of income that occurs in connection with a withdrawal of units from a Fund may affect the amount of net capital gain realised on disposal of your units. Investors should seek professional tax advice about the CGT treatment of the disposal of their units in the Funds, particularly if an entitlement to the income of a Fund is included in the withdrawal amount.

The amount and the components of the income of a Fund that may be distributed or attributed to you in these circumstances will be determined by Vanguard in accordance with the relevant Fund constitution.

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 a Fund is an AMIT and you are attributed with certain components of the taxable income 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 constitutions 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

Securities lending

The Funds 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 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 a 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 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 Fund, 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 Fund's indirect costs to the extent they are material (see Section 'Fees and Other Costs').

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.

Termination

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

Custodian

Vanguard has appointed JP Morgan Chase Bank, N.A. (Sydney branch) (ABN 43 074 112 011) (JP Morgan) to provide custodial, settlement and other related services in relation to the Funds.

In its capacity as custodian, JP Morgan provides custodial services to Vanguard (as responsible entity) and is responsible for the safekeeping of the assets of the Funds.

The role of the custodian is generally limited to holding the assets of the 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 unitholders for acts and omissions of the appointed custodian.

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

Fund Administrator

Vanguard has appointed FNZ Australia Pty Ltd (FNZ) as the fund administrator for retail investor accounts in the Funds (Retail Accounts). Vanguard will remain the fund administrator for certain existing institutional accounts as well as for new institutional accounts (Institutional Accounts). The transition of administration to FNZ from Vanguard is expected to occur from 16 October 2020 (Transition Date). We will notify you of any update to the Transition Date via notice on our website.

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. Vanguard is also the investment manager for the Funds. Vanguard holds an Australian Financial Services Licence (AFSL 227263), which authorises it to act as the responsible entity of the 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. Vanguard has appointed other entities within the Vanguard group of companies to provide investment management related services to the 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 a 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 investors 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 investors 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 Funds' 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 the Funds' constitutions may be inspected by investors 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 Funds' 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 a 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 Funds 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 a compliance plan for each Fund with ASIC. The compliance plan sets out the key criteria that Vanguard will follow to ensure that it is complying with the *Corporations Act* and each Fund's constitution. Each year the compliance plans are 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 an investor directed portfolio service (IDPS), 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 and cooling off rights. You should consult the relevant offer document or client agreement through which you have invested.

Cooling off

If you invest \$500,000 or more in a Fund, you will generally be considered a wholesale investor. Wholesale investors, as defined in the *Corporations Act*, do not have cooling off rights in relation to making an investment in a Fund. However, if we exercise our discretion to accept an investment of less than \$500,000 in a 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.

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 merge a Fund with another fund. Investors who hold units of a Fund, also have limited rights to call meetings and have the right to vote at any investor meetings of that Fund.

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

A resolution passed at a meeting of investors held in accordance with a Fund's constitution binds all investors 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 655 102 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.

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 will 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 our website or contact Client Services on 1300 655 102 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.



Connect with Vanguard™ vanguard.com.au

The responsible entity

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