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**Vanguard**

# Annual Report

for the Vanguard® Exchange Traded Funds

13 September 2022

Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard FTSE Emerging Markets Shares ETF	VGE	Annual Report
Vanguard MSCI Index International Shares ETF	VGS	Annual Report
Vanguard FTSE Asia ex Japan Shares Index ETF	VAE	Annual Report
Vanguard FTSE Europe Shares ETF	VEQ	Annual Report
Vanguard Global Value Equity Active ETF (Managed Fund)	VVLU	Annual Report
Vanguard Global Infrastructure Index ETF	VBLD	Annual Report
Vanguard MSCI International Small Companies Index ETF	VISM	Annual Report

Vanguard has prepared an Annual Report for the year ended 30 June 2022, for the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

The Annual Report provides financial information for each fund and where indicated, provides specific information for the ETF class.

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## Further Information

If you have any queries on Vanguard ETFs, please visit [vanguard.com.au](http://vanguard.com.au)

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Past performance information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. In preparing the information, individual circumstances, for example tax implications, have not been taken into account and it may, therefore, not be applicable to an individual's situation. Before making an investment decision, you should consider your circumstances and whether the above information is applicable to your situation.

Vanguard ETFs will only be issued to Authorised Participants. That is, persons who have entered into an Authorised Participant Agreement with Vanguard ("Eligible Investors"). Retail investors can transact in Vanguard ETFs through Vanguard Personal Investor, a stockbroker or financial adviser on the secondary market.

Investors should consider the Prospectus or Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Prospectus or PDS for informational purposes. A copy of the Target Market Determinations (TMD) for Vanguard's financial products can be obtained at [vanguard.com.au](http://vanguard.com.au) free of charge and include a description of who the financial product is appropriate for. You should refer to the TMD of this Fund before making any investment decisions. You can access our disclosure documents at [vanguard.com.au](http://vanguard.com.au) or by calling 1300 655 101. There is no guarantee that distributions will be declared in the future or the future availability of the Distribution Reinvestment Plan. This publication was prepared in good faith and we accept no liability for any errors or omissions.

The funds or securities referred to herein are not sponsored, endorsed or promoted by MSCI and MSCI bears no liability with respect to any such funds or securities. The Product Disclosure Statement contains a more detailed description of the limited relationship MSCI has with The Vanguard Group and any related funds.

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Vanguard is not offering the ETFs in the United States and this document does not constitute an offer or an invitation to apply for or acquire any interests in the ETFs in the United States. The information contained in this document is not intended for U.S. persons as defined in Regulation S under the U.S. Securities Act.

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Annual report | 30 June 2022

# Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

## Responsible Entity

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## Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

<b>Fund</b>	<b>ASX</b>	<b>ARSN</b>	<b>ABN</b>
Vanguard FTSE Asia ex Japan Shares Index ETF	VAE	606 451 110	50 411 576 623
Vanguard Emerging Markets Shares Index Fund	-	090 939 450	63 171 298 643
Vanguard FTSE Europe Shares ETF	VEQ	606 480 086	30 252 933 265
Vanguard FTSE Emerging Markets Shares ETF	VGE	147 937 906	91 542 729 566
Vanguard International Property Securities Index Fund	-	115 001 002	97 674 886 440
Vanguard Global Value Equity Fund	VVLU	613 053 062	71 928 129 734
Vanguard Global Infrastructure Index Fund	VBLD	128 385 277	82 191 294 545
Vanguard International Shares Index Fund	VGS	090 939 610	56 291 101 711
Vanguard International Small Companies Index Fund	VISM	127 015 472	20 372 713 731

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# About Vanguard

Since our establishment in 1975, Vanguard has strived to be the world's highest-value provider of investment products and services. We have an unwavering focus on our clients with a commitment to champion what's best for investors by offering outstanding service, while keeping costs low.

Over the years Vanguard has built a reputation as a global leader in client advocacy and earned the trust of millions of investors along the way. Our sole purpose has been to align our interest with those of our investors to ensure they have the best chance for investment success.

With AUD \$10.3 trillion in assets under management globally as of 30 June 2022, including AUD \$2.8 trillion in ETFs, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for 25 years.

## **Our unique structure — putting investors' interests first**

What sets Vanguard apart — and allows Vanguard to put investors first around the world — is the ownership structure of The Vanguard Group, Inc., in the United States.

Rather than being publicly traded or owned by a small group of individuals, the Vanguard Group is owned by Vanguard's US-domiciled funds and ETFs. Those funds, in turn, are owned by their investors.

This mutual structure aligns our interests with those of our investors and drives the culture, philosophy and policies throughout the Vanguard organisation worldwide. As a result, Australian investors benefit from Vanguard's stability and experience, low costs and client focus.

## **Our investment expertise**

When you invest with Vanguard, you have more than 40 years of investing experience behind you. So no matter which investment products suit your needs, you can feel confident that Vanguard investments are built on a rigorous investment philosophy that stands the test of time.

## **Low-cost investing**

We know we can't control the markets, but we can control the costs of investing. To that end, providing low-cost investments isn't a pricing strategy for us. It's how we do business.

We can keep costs low because of our unique ownership structure in the United States, which allows us to return profits to investors through lower costs.

# Directors' report

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs (the "Funds") for the year ended 30 June 2022 was Vanguard Investments Australia Ltd (the "Responsible Entity").

The directors of Vanguard Investments Australia Ltd present their report together with the financial statements for the year ended 30 June 2022.

## Principal activities

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds (except Vanguard Global Value Equity Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. Vanguard Global Value Equity Fund seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.

The ETF Class units of the Funds operate as Exchange Traded Funds (ETFs) listed on the Australian Securities Exchange (ASX).

The Funds did not have any employees during the year.

There were no significant changes in the nature of the activities of the Funds during the year.

## Directors

The following persons held office as directors of the Responsible Entity during the year and up to the date of this report:

J Platt (Resigned 21 January 2022)

F Kolimago (Resigned 15 October 2021)

C McIsaac (Resigned 21 January 2022)

C Cosby (Resigned 31 December 2021)

D Shrimski

J Bendl (Appointed 21 January 2022)

C Jacques (Appointed 21 January 2022)

K Petersen (Appointed 21 January 2022)

## Review and results of operations

The Funds invest in listed equity securities, listed unit trusts, derivatives and cash and cash equivalents. The investment policy of the Funds continues to be in accordance with the provisions of the Funds' Constitution.

## Results

The results of the operations of the Funds were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(71,229)	62,550	(356,685)	348,103	(39,290)	41,858	(98,721)	109,475
<b>Distributions - Wholesale Class</b>								
Distribution paid and payable (\$'000)	-	-	34,490	42,553	-	-	-	-
Distribution (cents per unit)	-	-	4.4177	6.6672	-	-	-	-
<b>Distributions - ETF Class</b>								
Distribution paid and payable (\$'000)	6,852	4,797	-	-	8,844	4,320	14,357	8,510
Distribution (cents per unit)	133.3281	128.5826	-	-	178.7344	123.7268	163.3019	129.6295

# Directors' report (continued)

## Review and results of operations (continued)

### Results (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(102,711)	452,248	(33,160)	34,390	156,419	103,109
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	197,517	59,053	3,357	256	71,473	31,483
Distribution (cents per unit)	10.2220	2.9813	5.9765	1.4916	7.8377	3.9768
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	-	-	16,254	1,543	5,819	3,177
Distribution (cents per unit)	-	-	213.5168	68.8239	138.0269	144.2080

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021		
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)			(1,922,984)	5,371,454	(295,778)	449,359
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)			802,602	952,330	87,574	103,773
Distribution (cents per unit)			10.3303	13.5925	9.6340	14.4699
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)			80,064	62,090	9,876	5,510
Distribution (cents per unit)			172.9819	187.6973	306.5812	325.9565
<b>Distributions - B Class</b>						
Distribution paid and payable (\$'000)			30,400	30,560	-	-
Distribution (cents per unit)			168.7750	184.6279	-	-

### Performance

The tables below detail the performance of the Funds as represented by the total return, net of fees, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total return is shown for the past five years to 30 June 2022 and assumes that all distributions were re-invested during that period. These are calculated in accordance with FSC Standard 6.0 Product Performance - calculation and presentation of returns. The directors assess the performance of the Funds by comparing each Fund's total return with the corresponding Index (the "Benchmark") gross of fees.

	2022	2021	2020	2019	2018
	%	%	%	%	%
Vanguard FTSE Asia ex Japan Shares Index ETF					
Capital growth	(18.27)	25.94	0.22	2.47	9.40
Distribution of income	1.48	2.17	2.83	2.25	3.19
Total return	(16.79)	28.11	3.05	4.72	12.59
Benchmark					
FTSE Asia Pacific ex Japan, Australia and New Zealand Index (with net dividends reinvested) in AUD	(16.60)	29.07	3.50	5.06	12.69

# Directors' report (continued)

## Review and results of operations (continued)

### Performance (continued)

	2022 %	2021 %	2020 %	2019 %	2018 %
<b>Vanguard Emerging Markets Shares Index Fund</b>					
Capital growth	(20.41)	24.69	(6.94)	2.67	9.48
Distribution of income	1.59	3.63	4.96	3.42	2.36
Total return	(18.82)	28.32	(1.98)	6.09	11.84
Benchmark					
<i>MSCI Emerging Markets Index (with net dividends reinvested) in AUD</i>	(18.43)	29.22	(1.53)	6.56	12.33
	2022 %	2021 %	2020 %	2019 %	2018 %
<b>Vanguard FTSE Europe Shares ETF</b>					
Capital growth	(14.27)	22.49	(7.14)	2.88	5.72
Distribution of income	2.60	2.60	2.33	2.83	2.79
Total return	(11.67)	25.09	(4.81)	5.71	8.51
Benchmark					
<i>FTSE Developed Europe All Cap Index (with net dividends reinvested) in AUD</i>	(11.40)	25.79	(4.65)	6.53	10.34
	2022 %	2021 %	2020 %	2019 %	2018 %
<b>Vanguard FTSE Emerging Markets Shares ETF</b>					
Capital growth	(16.34)	25.41	(5.64)	5.89	7.31
Distribution of income	1.89	2.26	2.76	2.31	1.91
Total return	(14.45)	27.67	(2.88)	8.20	9.22
Benchmark					
<i>FTSE Emerging Markets All Cap China A Inclusion Index (with net dividends reinvested) in AUD</i>	(14.05)	27.92	(1.33)	8.41	10.56
	2022 %	2021 %	2020 %	2019 %	2018 %
<b>Vanguard International Property Securities Index Fund</b>					
Capital growth	(13.63)	20.17	(17.68)	7.99	(0.07)
Distribution of income	8.11	3.48	4.36	5.69	9.26
Total return	(5.52)	23.65	(13.32)	13.68	9.19
Benchmark					
<i>FTSE EPRA/NAREIT Developed ex-Australia Rental index (with net dividends reinvested) in AUD</i>	(5.54)	23.33	(13.44)	13.46	8.95
	2022 %	2021 %	2020 %	2019 %	2018 %
<b>Vanguard Global Value Equity Fund</b>					
Capital growth	(5.28)	47.58	(20.75)	(5.41)	4.71
Distribution of income	4.43	2.02	3.23	3.52	10.05
Total return	(0.85)	49.60	(17.52)	(1.89)	14.76
Benchmark					
<i>FTSE Developed All-Cap Index in AUD</i>	(7.92)	28.95	3.88	10.47	15.62

# Directors' report (continued)

## Review and results of operations (continued)

### Performance (continued)

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard Global Infrastructure Index Fund					
Capital growth	6.00	5.86	(11.33)	17.26	3.03
Distribution of income	6.50	3.63	8.63	4.48	5.90
Total return	12.50	9.49	(2.70)	21.74	8.93
Benchmark					
<i>FTSE Developed Core Infrastructure Index (with net dividends reinvested) in AUD</i>	12.56	9.50	(2.69)	21.76	8.98

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Shares Index Fund					
Capital growth	(9.98)	21.21	(0.81)	6.47	11.35
Distribution of income	3.52	6.36	6.05	5.63	4.09
Total return	(6.46)	27.57	5.24	12.10	15.44
Benchmark					
<i>MSCI World ex-Australia Index (with net dividends reinvested) in AUD</i>	(6.52)	27.50	5.18	11.95	15.39

	2022 %	2021 %	2020 %	2019 %	2018 %
Vanguard International Small Companies Index Fund					
Capital growth	(19.42)	29.75	(9.02)	(2.85)	12.54
Distribution of income	4.56	10.43	5.30	5.12	6.51
Total return	(14.86)	40.18	(3.72)	2.27	19.05
Benchmark					
<i>MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in AUD</i>	(14.86)	40.45	(3.43)	2.36	19.19

Investors should be aware that past performance is not necessarily an indicator of future performance.

### Unit redemption prices

Unit redemption prices (quoted including distribution) are shown as follows:

	At 30 June		Period high		Period low	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Vanguard FTSE Asia ex Japan Shares Index ETF	68.2007	83.4629	82.5330	86.1623	64.7749	67.6669
Vanguard Emerging Markets Shares Index Fund	1.9998	2.5296	2.4782	2.5689	1.9415	2.0056
Vanguard FTSE Europe Shares ETF	55.6100	64.3456	68.7865	65.1873	53.9024	50.0024
Vanguard FTSE Emerging Markets Shares ETF	67.3542	80.4367	79.9506	80.9337	64.3282	64.3509
Vanguard International Property Securities Index Fund	1.0317	1.1637	1.3083	1.1777	0.9915	0.9144
Vanguard Global Value Equity Fund - Wholesale Class	1.2333	1.2913	1.4301	1.3031	1.2258	0.8341
Vanguard Global Value Equity Fund - ETF Class	54.9853	57.0974	63.5661	57.6102	54.6461	36.8531
Vanguard Global Infrastructure Index Fund - Wholesale Class	1.3225	1.2367	1.3725	1.2543	1.2348	1.0797
Vanguard Global Infrastructure Index Fund - ETF Class	63.5075	57.6967	65.9109	58.5229	58.0456	50.3805
Vanguard International Shares Index Fund - Wholesale Class	2.5495	2.8434	3.0983	2.8490	2.4619	2.2838
Vanguard International Shares Index Fund - ETF Class	88.7015	96.7508	107.2408	96.8899	85.6043	76.7182
Vanguard International Shares Index Fund - B Class	86.3110	94.1457	104.3423	94.2809	83.2981	74.6740
Vanguard International Small Companies Index Fund - Wholesale Class	1.6055	2.0017	2.0762	2.0055	1.5561	1.4680
Vanguard International Small Companies Index Fund - ETF Class	52.1909	64.5446	67.5820	64.6125	50.6455	46.6368

# Directors' report (continued)

## Significant changes in state of affairs

Frank Kolimago resigned as a Director of Vanguard Investments Australia Ltd on 15 October 2021.

Caroline Cosby resigned as a Director of Vanguard Investments Australia Ltd on 31 December 2021.

Chris McIsaac resigned as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Jo Platt resigned as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

John Bendl appointed as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Curt Jacques appointed as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Kim Petersen appointed as a Director of Vanguard Investments Australia Ltd on 21 January 2022.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Fund's investments and fund performance.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Funds that occurred during the financial year.

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Funds in future financial years.

## Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

## Indemnity and insurance of officers and auditors

No insurance premiums were paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of Vanguard Investments Australia Ltd or the auditors of the Funds. So long as the officers of Vanguard Investments Australia Ltd act in accordance with the Funds' Constitution and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

## Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in note 15 of the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 15 of the financial statements.

## Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 9 of the financial statements.

The value of the Funds' assets and liabilities are disclosed on the balance sheet and derived using the basis set out in note 2 of the financial statements.

## Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law.

## Directors' report (continued)

### Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191*, unless otherwise indicated.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 8.

This report is made in accordance with a resolution of the directors.



Daniel Shrimski

*Managing Director, Vanguard Investments Australia Ltd*

Melbourne

9 September 2022



## Auditor's Independence Declaration

- Vanguard FTSE Asia ex Japan Shares Index ETF\*
- Vanguard Emerging Markets Shares Index Fund
- Vanguard FTSE Europe Shares ETF\*
- Vanguard FTSE Emerging Markets Shares ETF\*
- Vanguard International Property Securities Index Fund
- Vanguard Global Value Equity Fund\*
- Vanguard Global Infrastructure Index Fund\*
- Vanguard International Shares Index Fund\*
- Vanguard International Small Companies Index Fund\*

referred to collectively as Vanguard Wholesale International Equities Funds (Unhedged) and ETFs.

\*denotes listed Funds

As lead auditor for the audit of Vanguard Wholesale International Equities Funds (Unhedged) and ETFs for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Adrian Gut', with a horizontal line underneath.

Adrian Gut  
Partner  
PricewaterhouseCoopers

Melbourne  
9 September 2022

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# Statements of comprehensive income

For the year ended 30 June 2022

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Investment income</b>									
Interest income		-	-	-	-	1	-	-	-
Dividend income		9,480	6,173	52,750	33,980	-	-	-	-
Distribution income		155	117	353	248	11,109	5,535	18,835	10,442
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(78,290)	57,922	(393,801)	326,118	(47,975)	37,686	(112,302)	102,362
Other operating income		219	416	246	94	44	6	32	84
<b>Total net investment income/(loss)</b>		<b>(68,436)</b>	<b>64,628</b>	<b>(340,452)</b>	<b>360,440</b>	<b>(36,821)</b>	<b>43,227</b>	<b>(93,435)</b>	<b>112,888</b>
<b>Expenses</b>									
Responsible Entity's fees	16	1,526	1,132	9,707	8,010	795	528	2,452	1,830
Custody fees		49	78	113	63	3	1	3	1
Transaction costs		127	179	725	592	5	2	6	6
Withholding tax expense		1,050	676	5,352	3,562	1,666	830	2,825	1,566
Other operating expenses		41	13	336	110	-	8	-	10
<b>Total operating expenses</b>		<b>2,793</b>	<b>2,078</b>	<b>16,233</b>	<b>12,337</b>	<b>2,469</b>	<b>1,369</b>	<b>5,286</b>	<b>3,413</b>
<b>Operating profit/(loss)</b>		<b>(71,229)</b>	<b>62,550</b>	<b>(356,685)</b>	<b>348,103</b>	<b>(39,290)</b>	<b>41,858</b>	<b>(98,721)</b>	<b>109,475</b>
<b>Finance costs attributable to unitholders</b>									
Distributions to unitholders	10	-	-	-	-	-	-	-	-
(Increase)/decrease in net assets attributable to unitholders	9	-	-	-	-	-	-	-	-
<b>Profit/(loss) for the year</b>		<b>(71,229)</b>	<b>62,550</b>	<b>(356,685)</b>	<b>348,103</b>	<b>(39,290)</b>	<b>41,858</b>	<b>(98,721)</b>	<b>109,475</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>(71,229)</b>	<b>62,550</b>	<b>(356,685)</b>	<b>348,103</b>	<b>(39,290)</b>	<b>41,858</b>	<b>(98,721)</b>	<b>109,475</b>

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

# Statements of comprehensive income (continued)

For the year ended 30 June 2022

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>							
Dividend income		6,383	10,614	13,786	2,537	36,576	27,880
Distribution income		62,804	64,115	-	21	3,818	2,765
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(152,354)	394,897	(43,894)	32,447	128,299	81,233
Other operating income		1,319	1,691	384	135	146	284
<b>Total net investment income/(loss)</b>		<b>(81,848)</b>	<b>471,317</b>	<b>(29,724)</b>	<b>35,140</b>	<b>168,839</b>	<b>112,162</b>
<b>Expenses</b>							
Responsible Entity's fees	16	9,501	8,006	1,257	263	6,903	4,812
Custody fees		71	56	55	28	52	46
Transaction costs		339	281	389	121	216	184
Withholding tax expense		9,508	10,416	1,720	325	5,216	3,995
Other operating expenses		1,444	310	15	13	33	16
<b>Total operating expenses</b>		<b>20,863</b>	<b>19,069</b>	<b>3,436</b>	<b>750</b>	<b>12,420</b>	<b>9,053</b>
<b>Operating profit/(loss)</b>		<b>(102,711)</b>	<b>452,248</b>	<b>(33,160)</b>	<b>34,390</b>	<b>156,419</b>	<b>103,109</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders	10	-	-	(19,611)	(1,799)	(77,292)	(34,660)
(Increase)/decrease in net assets attributable to unitholders	9	-	-	52,771	(32,591)	(79,127)	(68,449)
<b>Profit/(loss) for the year</b>		<b>(102,711)</b>	<b>452,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>(102,711)</b>	<b>452,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

# Statements of comprehensive income (continued)

For the year ended 30 June 2022

	Notes	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
		\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>					
Dividend income		511,614	395,006	28,182	18,181
Distribution income		17,252	13,215	5,878	4,610
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(2,336,779)	5,051,619	(319,250)	433,678
Other operating income		3,136	1,143	1,617	1,365
<b>Total net investment income/(loss)</b>		<b>(1,804,777)</b>	<b>5,460,983</b>	<b>(283,573)</b>	<b>457,834</b>
<b>Expenses</b>					
Responsible Entity's fees	16	50,151	38,634	6,885	5,130
Custody fees		113	70	95	48
Transaction costs		1,826	1,636	342	172
Withholding tax expense		64,544	48,900	4,327	2,877
Other operating expenses		1,573	289	556	248
<b>Total operating expenses</b>		<b>118,207</b>	<b>89,529</b>	<b>12,205</b>	<b>8,475</b>
<b>Operating profit/(loss)</b>		<b>(1,922,984)</b>	<b>5,371,454</b>	<b>(295,778)</b>	<b>449,359</b>
<b>Finance costs attributable to unitholders</b>					
Distributions to unitholders	10	(913,066)	(1,044,980)	(97,450)	(109,283)
(Increase)/decrease in net assets attributable to unitholders	9	2,836,050	(4,326,474)	393,228	(340,076)
<b>Profit/(loss) for the year</b>		-	-	-	-
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	-	-

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

# Balance sheets

As at 30 June 2022

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Assets</b>									
Cash and cash equivalents	11	2,040	4,102	21,563	17,330	165	195	493	457
Margin accounts		189	171	1,149	845	-	-	-	-
Receivables		271	959	1,878	2,517	21	12	57	6,484
Accrued income		1,886	997	8,769	4,213	-	-	-	-
Due from brokers - receivable for securities sold		-	7	-	18,435	5,058	1,460	3,314	839
Financial assets at fair value through profit or loss	6	358,482	382,385	1,660,088	1,686,526	285,338	217,738	602,296	650,807
<b>Total assets</b>		<b>362,868</b>	<b>388,621</b>	<b>1,693,447</b>	<b>1,729,866</b>	<b>290,582</b>	<b>219,405</b>	<b>606,160</b>	<b>658,587</b>
<b>Liabilities</b>									
Distribution payable	10	1,790	1,979	9,428	20,775	4,673	1,803	3,465	3,098
Payables		1,366	1,425	7,510	26,950	1,186	48	538	200
Due to brokers - payables for securities purchased		-	42	13,741	264	-	-	-	4,811
Financial liabilities at fair value through profit or loss	7	3	-	17	13	-	-	-	-
<b>Total liabilities</b>		<b>3,159</b>	<b>3,446</b>	<b>30,696</b>	<b>48,002</b>	<b>5,859</b>	<b>1,851</b>	<b>4,003</b>	<b>8,109</b>
<b>Net assets attributable to unitholders (equity)</b>	9	<b>359,709</b>	<b>385,175</b>	<b>1,662,751</b>	<b>1,681,864</b>	<b>284,723</b>	<b>217,554</b>	<b>602,157</b>	<b>650,478</b>

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Assets</b>							
Cash and cash equivalents	11	2,456	4,927	2,028	1,712	12,919	10,651
Margin accounts		658	661	75	48	950	796
Receivables		2,611	2,911	958	654	2,091	2,865
Accrued income		6,959	6,584	859	242	3,275	2,681
Due from brokers - receivable for securities sold		84,746	40,734	5,355	320	29,888	10,371
Financial assets at fair value through profit or loss	6	1,853,564	2,311,939	633,580	237,719	1,501,478	1,207,999
<b>Total assets</b>		<b>1,950,994</b>	<b>2,367,756</b>	<b>642,855</b>	<b>240,695</b>	<b>1,550,601</b>	<b>1,235,363</b>
<b>Liabilities</b>							
Margin accounts		8	-	-	-	-	-
Distribution payable	10	65,206	21,186	7,587	1,142	25,892	12,858
Payables		65,374	44,530	300	58	29,866	15,355
Due to brokers - payables for securities purchased		-	395	518	458	-	-
Financial liabilities at fair value through profit or loss	7	89	111	-	-	23	80
<b>Total liabilities</b>		<b>130,677</b>	<b>66,222</b>	<b>8,405</b>	<b>1,658</b>	<b>55,781</b>	<b>28,293</b>
<b>Net assets attributable to unitholders (equity)</b>	9	<b>1,820,317</b>	<b>2,301,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to unitholders (liability)</b>	9	<b>-</b>	<b>-</b>	<b>634,450</b>	<b>239,037</b>	<b>1,494,820</b>	<b>1,207,070</b>

The above balance sheets should be read in conjunction with the accompanying notes.

# Balance sheets (continued)

As at 30 June 2022

	Notes	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Assets</b>					
Cash and cash equivalents	11	192,274	133,116	11,187	17,060
Margin accounts		12,139	8,448	1,212	1,163
Receivables		64,347	58,133	5,068	11,146
Accrued income		21,992	18,029	2,120	1,345
Due from brokers - receivable for securities sold		101,652	576,545	2,349	13,298
Financial assets at fair value through profit or loss	6	25,864,332	24,944,008	1,694,923	1,598,251
<b>Total assets</b>		<b>26,256,736</b>	<b>25,738,279</b>	<b>1,716,859</b>	<b>1,642,263</b>
<b>Liabilities</b>					
Margin accounts		80	-	-	-
Distribution payable	10	466,385	552,706	43,469	48,724
Payables		245,954	472,353	2,076	29,533
Due to brokers - payables for securities purchased		12	77	1,028	-
Financial liabilities at fair value through profit or loss	7	5	379	37	12
<b>Total liabilities</b>		<b>712,436</b>	<b>1,025,515</b>	<b>46,610</b>	<b>78,269</b>
<b>Net assets attributable to unitholders (liability)</b>	9	<b>25,544,300</b>	<b>24,712,764</b>	<b>1,670,249</b>	<b>1,563,994</b>

The above balance sheets should be read in conjunction with the accompanying notes.

# Statements of changes in equity

For the year ended 30 June 2022

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Total equity at the beginning of the financial year</b>		385,175	182,942	1,681,864	1,149,186	217,554	172,442	650,478	344,555
<b>Comprehensive income for the year</b>									
Profit/(loss) for the year		(71,229)	62,550	(356,685)	348,103	(39,290)	41,858	(98,721)	109,475
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>(71,229)</b>	<b>62,550</b>	<b>(356,685)</b>	<b>348,103</b>	<b>(39,290)</b>	<b>41,858</b>	<b>(98,721)</b>	<b>109,475</b>
<b>Transactions with unitholders</b>									
Applications		58,949	143,762	557,655	403,747	138,593	80,467	114,825	225,818
Redemptions		(7,657)	-	(217,961)	(205,689)	(23,766)	(73,159)	(52,475)	(21,759)
Units issued upon reinvestment of distributions		1,323	718	32,368	29,070	476	266	2,407	899
Distributions paid and payable	10	(6,852)	(4,797)	(34,490)	(42,553)	(8,844)	(4,320)	(14,357)	(8,510)
<b>Total transactions with unitholders</b>		<b>45,763</b>	<b>139,683</b>	<b>337,572</b>	<b>184,575</b>	<b>106,459</b>	<b>3,254</b>	<b>50,400</b>	<b>196,448</b>
<b>Total equity at the end of the financial year</b>		<b>359,709</b>	<b>385,175</b>	<b>1,662,751</b>	<b>1,681,864</b>	<b>284,723</b>	<b>217,554</b>	<b>602,157</b>	<b>650,478</b>

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Total equity at the beginning of the financial year</b>			2,301,534	1,819,405	-	-	-
<b>Comprehensive income for the year</b>							
Profit/(loss) for the year			(102,711)	452,248	-	-	-
Other comprehensive income			-	-	-	-	-
<b>Total comprehensive income for the year</b>			<b>(102,711)</b>	<b>452,248</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with unitholders</b>							
Applications			567,242	538,576	-	-	-
Redemptions			(856,642)	(491,306)	-	-	-
Units issued upon reinvestment of distributions			108,411	41,664	-	-	-
Distributions paid and payable	10		(197,517)	(59,053)	-	-	-
<b>Total transactions with unitholders</b>			<b>(378,506)</b>	<b>29,881</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity at the end of the financial year</b>			<b>1,820,317</b>	<b>2,301,534</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

# Statements of changes in equity (continued)

For the year ended 30 June 2022

	Notes	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Total equity at the beginning of the financial year</b>		-	-	-	-
<b>Comprehensive income for the year</b>					
Profit/(loss) for the year		-	-	-	-
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	-	-
<b>Transactions with unitholders</b>					
Applications		-	-	-	-
Redemptions		-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-
Distributions paid and payable	10	-	-	-	-
<b>Total transactions with unitholders</b>		-	-	-	-
<b>Total equity at the end of the financial year</b>		-	-	-	-

The above statements of changes in equity should be read in conjunction with the accompanying notes.

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# Statements of cash flows

For the year ended 30 June 2022

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Cash flows from operating activities</b>									
Proceeds from sale of financial instruments at fair value through profit or loss		20,108	22,360	134,089	146,118	25,443	77,824	56,365	28,903
Purchases of financial instruments at fair value through profit or loss		(74,797)	(163,752)	(470,069)	(364,943)	(144,815)	(84,686)	(127,598)	(226,842)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(127)	(179)	(725)	(592)	(5)	(2)	(6)	(6)
Interest received		-	-	-	-	1	-	-	-
Dividends received		7,406	4,996	42,377	29,053	-	-	-	-
Distributions received		123	105	218	240	9,443	4,705	16,010	8,876
Other income received		219	416	246	95	44	6	32	84
Responsible Entity's fees paid		(1,532)	(1,067)	(9,705)	(8,324)	(775)	(520)	(2,452)	(1,737)
Operating expenses paid		(92)	(112)	(465)	(298)	(13)	(8)	(11)	(31)
<b>Net cash inflow/(outflow) from operating activities</b>	12(a)	<b>(48,692)</b>	<b>(137,233)</b>	<b>(304,034)</b>	<b>(198,651)</b>	<b>(110,677)</b>	<b>(2,681)</b>	<b>(57,660)</b>	<b>(190,753)</b>
<b>Cash flows from financing activities</b>									
Proceeds from applications by unitholders		59,784	142,927	558,812	402,375	138,593	80,467	121,260	219,383
Payments for redemptions by unitholders		(7,657)	-	(237,315)	(188,237)	(22,647)	(73,159)	(52,137)	(21,759)
Distributions paid from operating activities		(5,718)	(3,599)	(13,469)	(10,902)	(5,498)	(4,092)	(11,583)	(6,571)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>46,409</b>	<b>139,328</b>	<b>308,028</b>	<b>203,236</b>	<b>110,448</b>	<b>3,216</b>	<b>57,540</b>	<b>191,053</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,283)</b>	<b>2,095</b>	<b>3,994</b>	<b>4,585</b>	<b>(229)</b>	<b>535</b>	<b>(120)</b>	<b>300</b>
Cash and cash equivalents at the beginning of the year		4,102	1,933	17,330	12,519	195	107	457	283
Effects of foreign currency exchange rate changes on cash and cash equivalents		221	74	239	226	199	(447)	156	(126)
<b>Cash and cash equivalents at the end of the year</b>	11	<b>2,040</b>	<b>4,102</b>	<b>21,563</b>	<b>17,330</b>	<b>165</b>	<b>195</b>	<b>493</b>	<b>457</b>
Non-cash financing activities	12(b)	1,323	718	32,368	29,070	476	266	2,407	899

The above statements of cash flows should be read in conjunction with the accompanying notes.

# Statements of cash flows (continued)

For the year ended 30 June 2022

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments at fair value through profit or loss		827,005	384,838	142,748	37,508	285,301	111,635
Purchases of financial instruments at fair value through profit or loss		(564,060)	(540,498)	(589,834)	(209,410)	(469,883)	(454,731)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(339)	(281)	(389)	(121)	(216)	(184)
Interest received		-	-	-	-	-	1
Dividends received		5,952	9,673	11,093	1,945	31,224	22,338
Distributions received		53,229	53,496	-	19	3,293	2,538
Other income received		1,319	1,655	384	134	146	284
Responsible Entity's fees paid		(9,623)	(7,839)	(1,152)	(215)	(6,785)	(5,026)
Operating expenses paid		(1,526)	(367)	(103)	(50)	(132)	(96)
<b>Net cash inflow/(outflow) from operating activities</b>	12(a)	<b>311,957</b>	<b>(99,323)</b>	<b>(437,253)</b>	<b>(170,190)</b>	<b>(157,052)</b>	<b>(323,241)</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders		567,263	560,890	497,464	175,642	697,235	552,306
Payments for redemptions by unitholders		(835,676)	(447,754)	(49,802)	(2,918)	(512,368)	(203,781)
Distributions paid from operating activities		(45,086)	(14,649)	(12,422)	(745)	(25,220)	(20,932)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(313,499)</b>	<b>98,487</b>	<b>435,240</b>	<b>171,979</b>	<b>159,647</b>	<b>327,593</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>							
Cash and cash equivalents at the beginning of the year		4,927	5,641	1,712	165	10,651	5,635
Effects of foreign currency exchange rate changes on cash and cash equivalents		(929)	122	2,329	(242)	(327)	664
<b>Cash and cash equivalents at the end of the year</b>	11	<b>2,456</b>	<b>4,927</b>	<b>2,028</b>	<b>1,712</b>	<b>12,919</b>	<b>10,651</b>
Non-cash financing activities	12(b)	108,411	41,664	744	81	39,038	31,776

The above statements of cash flows should be read in conjunction with the accompanying notes.

# Statements of cash flows (continued)

For the year ended 30 June 2022

	Notes	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments at fair value through profit or loss		1,768,074	1,567,590	279,902	304,544
Purchases of financial instruments at fair value through profit or loss		(4,557,358)	(3,715,232)	(684,311)	(390,873)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(1,826)	(1,636)	(342)	(172)
Interest received		-	-	-	1
Dividends received		434,139	340,159	23,496	15,552
Distributions received		14,272	11,016	4,838	4,003
Other income received		3,136	1,143	1,617	1,322
Responsible Entity's fees paid		(49,938)	(37,656)	(6,842)	(4,980)
Operating expenses paid		(1,885)	(611)	(680)	(295)
<b>Net cash inflow/(outflow) from operating activities</b>	12(a)	<b>(2,391,386)</b>	<b>(1,835,227)</b>	<b>(382,322)</b>	<b>(70,898)</b>
<b>Cash flows from financing activities</b>					
Proceeds from applications by unitholders		6,355,655	5,893,664	536,094	324,218
Payments for redemptions by unitholders		(3,604,354)	(3,759,050)	(140,348)	(232,003)
Distributions paid from operating activities		(303,781)	(299,175)	(19,779)	(11,712)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>2,447,520</b>	<b>1,835,439</b>	<b>375,967</b>	<b>80,503</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>56,134</b>	<b>212</b>	<b>(6,355)</b>	<b>9,605</b>
Cash and cash equivalents at the beginning of the year		133,116	144,010	17,060	7,404
Effects of foreign currency exchange rate changes on cash and cash equivalents		3,024	(11,106)	482	51
<b>Cash and cash equivalents at the end of the year</b>	11	<b>192,274</b>	<b>133,116</b>	<b>11,187</b>	<b>17,060</b>
Non-cash financing activities	12(b)	695,606	780,628	82,926	67,370

The above statements of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

For the year ended 30 June 2022

## 1 General information

These financial statements cover the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs (the "Funds") as registered managed investment schemes. The respective constitution dates are as follows:

- Vanguard FTSE Asia ex Japan Shares Index ETF 28 May 2015
- Vanguard Emerging Markets Shares Index Fund 6 December 1996
- Vanguard FTSE Europe Shares ETF 28 May 2015
- Vanguard FTSE Emerging Markets Shares ETF 17 December 2010
- Vanguard International Property Securities Index Fund 27 June 2005
- Vanguard Global Value Equity Fund 10 June 2016
- Vanguard Global Infrastructure Index Fund 26 October 2007
- Vanguard International Shares Index Fund 6 December 1996
- Vanguard International Small Companies Index Fund 9 August 2007

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs is Vanguard Investments Australia Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 13, 130 Lonsdale Street, Melbourne VIC 3000.

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds (except Vanguard Global Value Equity Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. Vanguard Global Value Equity Fund seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.

The ETF Class units of the Funds operate as Exchange Traded Funds (ETFs) listed on the Australian Securities Exchange (ASX).

The financial statements were authorised for issue by the directors on 9 September 2022. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All material balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### (i) Compliance with International Financial Reporting Standards

The financial statements of the Funds also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### (ii) New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### (iii) New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

### (b) Financial instruments

#### (i) Classification

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

#### (ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Funds have transferred substantially all risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise. Realised gains and losses on investments transactions and unrealised gain or loss of investments are both computed on weighted average cost basis.

For further details on how the fair value of the financial instruments is determined are disclosed in note 4.

#### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 3(c)(i) to the financial statements for further information.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 2 Summary of significant accounting policies (continued)

### (c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the units back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical
- apart from the contractual obligation to redeem the units, the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

### (d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability in the balance sheet.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

### (e) Margin accounts

Margin accounts comprise of cash held with brokers for derivative transactions to meet margin calls. It is not included as a component of cash and cash equivalents.

### (f) Investment income

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income and distribution income when the Fund's right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b) to the financial statements.

### (g) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 2 Summary of significant accounting policies (continued)

### (h) Income tax

Under current legislation, Funds that have elected into the AMIT tax regime are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders. The Funds may incur withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income.

### (i) Distributions

Distributions are payable as set out in the Funds' Product Disclosure Statement and/or Funds' Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Funds.

### (j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Where the Funds' units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

### (k) Functional and presentation currency

#### (i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

### (l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

### (m) Receivables and accrued income

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 2 Summary of significant accounting policies (continued)

### (n) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

As the Funds have a contractual obligation to distribute their distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

### (o) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

### (p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credit recovery rate of between 55% and 100%, hence Responsible Entity's fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (q) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### (r) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

### (s) Investment entity exception

The Funds have determined that they are investment entities under the definition in AASB 10, as they meet the following criteria:

- (a) the Funds have obtained funds from unitholders for the purpose of providing them with investment management services;
- (b) the Funds' business purpose, which is communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Funds are measured and evaluated on a fair value basis.

The Funds also meet all of the typical characteristics of an investment entity.

The Funds do not control any of the entities where they have an investment and therefore do not prepare consolidated financial statements. Instead, the Funds' investments are accounted for at fair value through profit or loss as disclosed in note 2(b).

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 2 Summary of significant accounting policies (continued)

### (t) Operating segments

The Funds with ETF class units are within the scope of AASB 8: *Operating Segments* as they satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market or filing financial statements with a regulator for the purpose of issuing any class of instruments in a public market.

### (u) Securities lending arrangements

The Funds have entered into securities lending arrangements under which legal title to some of the Funds' assets may be transferred to another entity. The securities are loaned by JPM Chase Bank, N.A., Sydney Branch as agent of the Responsible Entity, to a limited number of pre-approved brokers and other financial institutions (the "Borrowers"). The Borrowers provide collateral against loans to an amount of 105% of the fair value of the loaned securities. The earnings on securities lending arrangements have been recognised in the statement of comprehensive income as other income. All securities lending revenue, with the exception of a minimal lending agent fee, are received directly into the Funds.

The risks and benefits of ownership of the loaned assets remain with the Funds, because the Funds continue to enjoy the risks and benefits of ownership, assets that have been loaned have not been derecognised (i.e. treated as having been sold). JPM Chase Bank, N.A., Sydney Branch, as lending agent, indemnifies the Funds for replacement of any loaned securities (or, in certain circumstances, return of equivalent cash value) due to a Borrower default on a security loan.

Details of all open transactions at year end are disclosed in note 17.

### (v) Rounding of amounts

The Funds are registered schemes of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the "rounding off" amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

## 3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management program focuses on ensuring compliance with the Funds' Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the investment management department of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Funds use different methods to measure different types of risks to which they are exposed. These methods are explained on the following pages.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Fund's investments and fund performance.

### (a) Market risk

#### (i) Price risk

The Funds are exposed to equity securities and derivative price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (ii) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

In any asset sector the returns of individual securities are a combination of the market returns and returns specific to each security. By diversifying their holdings across the market, index funds are generally well protected from the specific risk of individual securities. Vanguard employs an indexing investment strategy in all asset classes in which the Funds invest.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

At 30 June, the fair value of equities and related derivatives exposed to price risk were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Derivative assets	-	8	-	7	-	-	-	-
Equity securities	355,012	379,090	1,648,995	1,673,038	-	-	-	-
Listed unit trusts	3,470	3,285	11,091	13,471	285,338	217,738	602,296	650,807
Derivative liabilities	(3)	-	(10)	(9)	-	-	-	-
<b>Net total</b>	<b>358,479</b>	<b>382,383</b>	<b>1,660,076</b>	<b>1,686,507</b>	<b>285,338</b>	<b>217,738</b>	<b>602,296</b>	<b>650,807</b>

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Derivative assets	-	-	29	15	41	-
Equity securities	154,674	262,789	632,317	237,510	1,323,763	1,056,942
Listed unit trusts	1,698,870	2,049,150	1,234	194	177,674	151,057
Derivative liabilities	(85)	(109)	-	-	(23)	(80)
<b>Net total</b>	<b>1,853,459</b>	<b>2,311,830</b>	<b>633,580</b>	<b>237,719</b>	<b>1,501,455</b>	<b>1,207,919</b>

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Derivative assets	-	926	10	1
Equity securities	25,251,469	24,411,974	1,544,429	1,468,735
Listed unit trusts	612,863	530,941	150,484	129,512
Derivative liabilities	-	(376)	(37)	(9)
<b>Net total</b>	<b>25,864,332</b>	<b>24,943,465</b>	<b>1,694,886</b>	<b>1,598,239</b>

The tables presented in note 3(b) summarise the impact on operating profit before finance costs attributable to unitholders and liabilities attributable to unitholders from possible changes in market prices that were reasonably based on the risk that the Funds were exposed to at reporting date.

#### (ii) Foreign exchange risk

The Funds have exposure to foreign assets and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk, not foreign exchange risk.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' foreign exchange exposure on all foreign currency denominated assets and liabilities on a daily basis. Currency positions are reconciled daily and discrepancies are immediately resolved. Procedures are established with the Investment Manager to trade currency as closely as possible to the close of the markets, so as to obtain exchange rates that closely approximate the rates used in the daily valuation.

The Funds are exposed to foreign exchange risk as a result of investments in financial instruments denominated in foreign currencies. Fluctuations in the value of the Australian dollar and foreign currencies can affect the returns from overseas investments. This is because gains or losses must be converted back to Australian dollars. Accordingly, these Funds are affected directly by currency fluctuations.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

The foreign exchange risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look-through basis to investments held via interposed investment funds. In addition, any currency hedging to minimise the impact of foreign exchange risk has not been incorporated into the disclosures unless the derivatives are held directly in these Funds.

The tables below summarises the Funds' financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	Vanguard FTSE Asia ex Japan Shares Index ETF									
	30 Jun 2022					30 Jun 2021				
	Hong Kong Dollar A\$'000	Taiwan New Dollar A\$'000	Korean Won A\$'000	Indian Rupee A\$'000	Other currencies A\$'000	Hong Kong Dollar A\$'000	Taiwan New Dollar A\$'000	Korean Won A\$'000	Indian Rupee A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	63	10	1	1,452	500	266	10	46	676	2,959
Margin accounts	-	-	-	-	189	-	-	-	-	171
Receivables	-	115	111	-	10	-	20	67	-	3
Accrued income	898	770	135	72	11	672	147	83	51	44
Due from brokers - receivable for securities sold	-	-	-	-	-	6	-	-	-	1
Financial assets at fair value through profit or loss	129,231	56,956	44,359	54,691	73,245	138,613	60,526	56,686	46,357	80,203
<b>Total assets</b>	<b>130,192</b>	<b>57,851</b>	<b>44,606</b>	<b>56,215</b>	<b>73,955</b>	<b>139,557</b>	<b>60,703</b>	<b>56,882</b>	<b>47,084</b>	<b>83,381</b>
<b>Liabilities</b>										
Payables	-	-	-	1,248	-	-	-	-	1,302	-
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	25	10	7
Financial liabilities at fair value through profit or loss	-	-	-	-	3	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,248</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>1,312</b>	<b>7</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	-	-	-	-	832	-	-	-	-	-
- Sell foreign currency	(832)	-	-	-	(1,300)	-	-	-	-	(300)
<b>Net exposure including foreign currency forward contracts</b>	<b>129,360</b>	<b>57,851</b>	<b>44,606</b>	<b>54,967</b>	<b>73,484</b>	<b>139,557</b>	<b>60,703</b>	<b>56,857</b>	<b>45,772</b>	<b>83,074</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

Vanguard Emerging Markets Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	Indian Rupee A\$'000	Hong Kong Dollar A\$'000	Korean Won A\$'000	Taiwan New Dollar A\$'000	Other currencies A\$'000	Indian Rupee A\$'000	Hong Kong Dollar A\$'000	Korean Won A\$'000	Taiwan New Dollar A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	8,384	4,431	147	2,173	3,108	3,302	70	83	71	12,365
Margin accounts	-	-	-	-	1,149	-	-	-	-	845
Receivables	-	-	507	496	279	-	-	318	357	105
Accrued income	280	3,458	577	3,205	1,249	187	2,505	344	569	608
Due from brokers - receivable for securities sold	-	-	-	-	-	2,294	5,378	2,112	2,998	5,653
Financial assets at fair value through profit or loss	210,226	441,449	186,617	240,806	580,990	166,881	441,937	223,524	234,655	619,529
<b>Total assets</b>	<b>218,890</b>	<b>449,338</b>	<b>187,848</b>	<b>246,680</b>	<b>586,775</b>	<b>172,664</b>	<b>449,890</b>	<b>226,381</b>	<b>238,650</b>	<b>639,105</b>
<b>Liabilities</b>										
Payables	5,271	-	-	-	-	5,359	-	-	-	-
Due to brokers - payable for securities purchased	2,287	4,445	1,363	2,101	3,545	-	-	148	-	116
Financial liabilities at fair value through profit or loss	-	-	-	-	17	-	-	-	-	13
<b>Total liabilities</b>	<b>7,558</b>	<b>4,445</b>	<b>1,363</b>	<b>2,101</b>	<b>3,562</b>	<b>5,359</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>129</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	-	-	1,265	-	5,921	-	-	147	-	11,900
- Sell foreign currency	(921)	-	(45)	-	(6,459)	-	(5,832)	(2,071)	-	(28,445)
<b>Net exposure including foreign currency forward contracts</b>	<b>210,411</b>	<b>444,893</b>	<b>187,705</b>	<b>244,579</b>	<b>582,675</b>	<b>167,305</b>	<b>444,058</b>	<b>224,309</b>	<b>238,650</b>	<b>622,431</b>
Vanguard FTSE Europe Shares ETF										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	156	-	-	-	-	10	-	-	-	-
Due from brokers - receivable for securities sold	5,058	-	-	-	-	1,460	-	-	-	-
Financial assets at fair value through profit or loss	285,338	-	-	-	-	217,738	-	-	-	-
<b>Total assets</b>	<b>290,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	-	-	-	-	-	-	-	-	-	-
- Sell foreign currency	(5,014)	-	-	-	-	-	-	-	-	-
<b>Net exposure including foreign currency forward contracts</b>	<b>285,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

	Vanguard FTSE Emerging Markets Shares ETF									
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	383	-	-	-	-	209	-	-	-	-
Due from brokers - receivable for securities sold	3,314	-	-	-	-	839	-	-	-	-
Financial assets at fair value through profit or loss	602,296	-	-	-	-	650,807	-	-	-	-
<b>Total assets</b>	<b>605,993</b>	-	-	-	-	<b>651,855</b>	-	-	-	-
<b>Liabilities</b>										
Due to brokers - payable for securities purchased	-	-	-	-	-	4,811	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	<b>4,811</b>	-	-	-	-
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	-	-	-	-	-	4,811	-	-	-	-
- Sell foreign currency	(3,100)	-	-	-	-	(799)	-	-	-	-
<b>Net exposure including foreign currency forward contracts</b>	<b>602,893</b>	-	-	-	-	<b>651,056</b>	-	-	-	-

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

Vanguard International Property Securities Index Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	28	101	808	110	1,128	2,113	477	500	14	120
Margin accounts	500	44	91	-	23	491	86	54	21	9
Receivables	2	162	1,301	-	409	-	273	1,587	-	304
Accrued income	4,136	441	610	880	892	4,145	366	160	1,017	896
Due from brokers - receivable for securities sold	58,248	4,199	5,091	6,111	11,097	26,814	1,788	3,886	3,088	5,158
Financial assets at fair value through profit or loss	1,284,511	90,405	115,116	133,991	229,541	1,489,220	118,037	220,792	188,533	295,357
<b>Total assets</b>	<b>1,347,425</b>	<b>95,352</b>	<b>123,017</b>	<b>141,092</b>	<b>243,090</b>	<b>1,522,783</b>	<b>121,027</b>	<b>226,979</b>	<b>192,673</b>	<b>301,844</b>
<b>Liabilities</b>										
Margin accounts	-	-	-	-	8	-	-	-	-	-
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	-	90	305
Financial liabilities at fair value through profit or loss	76	3	-	2	4	111	-	-	-	-
<b>Total liabilities</b>	<b>76</b>	<b>3</b>	<b>-</b>	<b>2</b>	<b>12</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>305</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	30,759	-	806	-	-	12,923	-	72	-	486
- Sell foreign currency	(85,606)	(4,239)	(9,582)	(5,887)	(11,052)	(41,957)	(2,273)	(4,423)	(3,084)	(3,143)
<b>Net exposure including foreign currency forward contracts</b>	<b>1,292,502</b>	<b>91,110</b>	<b>114,241</b>	<b>135,203</b>	<b>232,026</b>	<b>1,493,638</b>	<b>118,754</b>	<b>222,628</b>	<b>189,499</b>	<b>298,882</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

Vanguard Global Value Equity Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	104	30	28	214	431	1,225	21	11	92	71
Margin accounts	75	-	-	-	-	48	-	-	-	-
Receivables	5	341	1	-	80	1	53	1	-	18
Accrued income	372	16	289	39	143	110	10	62	25	34
Due from brokers - receivable for securities sold	4,936	-	-	419	-	320	-	-	-	-
Financial assets at fair value through profit or loss	426,126	51,903	34,966	44,560	73,558	153,059	24,257	12,290	18,116	28,896
<b>Total assets</b>	<b>431,618</b>	<b>52,290</b>	<b>35,284</b>	<b>45,232</b>	<b>74,212</b>	<b>154,763</b>	<b>24,341</b>	<b>12,364</b>	<b>18,233</b>	<b>29,019</b>
<b>Liabilities</b>										
Due to brokers - payable for securities purchased	518	-	-	-	-	-	-	-	284	174
<b>Total liabilities</b>	<b>518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284</b>	<b>174</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	-	-	-	-	-	-	-	-	197	173
- Sell foreign currency	-	-	-	-	-	(197)	-	-	-	-
<b>Net exposure including foreign currency forward contracts</b>										
	431,100	52,290	35,284	45,232	74,212	154,566	24,341	12,364	18,146	29,018

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

Vanguard Global Infrastructure Index Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	6,875	2,569	162	464	876	6,684	1,760	826	605	191
Margin accounts	362	388	129	71	-	466	170	118	42	-
Receivables	-	25	162	-	27	-	-	117	-	30
Accrued income	681	509	174	2	1,399	578	399	163	2	1,182
Due from brokers - receivable for securities sold	20,214	4,082	1,801	1,308	1,681	6,119	1,190	464	454	588
Financial assets at fair value through profit or loss	1,030,860	215,160	77,469	57,492	88,671	811,063	160,302	70,845	61,134	76,106
<b>Total assets</b>	<b>1,058,992</b>	<b>222,733</b>	<b>79,897</b>	<b>59,337</b>	<b>92,654</b>	<b>824,910</b>	<b>163,821</b>	<b>72,533</b>	<b>62,237</b>	<b>78,097</b>
<b>Liabilities</b>										
Financial liabilities at fair value through profit or loss	-	12	7	3	-	73	2	5	-	-
<b>Total liabilities</b>	<b>-</b>	<b>12</b>	<b>7</b>	<b>3</b>	<b>-</b>	<b>73</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	12,967	-	-	-	-	5,115	-	-	-	-
- Sell foreign currency	(35,800)	(6,426)	(1,672)	(1,552)	(1,717)	(14,000)	(2,807)	(1,258)	(459)	(591)
<b>Net exposure including foreign currency forward contracts</b>	<b>1,036,159</b>	<b>216,295</b>	<b>78,218</b>	<b>57,782</b>	<b>90,937</b>	<b>815,952</b>	<b>161,012</b>	<b>71,270</b>	<b>61,778</b>	<b>77,506</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

	Vanguard International Shares Index Fund									
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	146,877	8,534	2,365	12,566	12,122	70,296	2,062	3,652	11,388	4,466
Margin accounts	7,642	613	3,102	319	463	5,245	656	1,770	445	333
Receivables	1,344	131	17,916	-	23,623	420	(40)	11,589	-	18,089
Accrued income	12,284	3,643	1,395	2,312	2,358	8,714	3,262	1,489	2,008	2,548
Due from brokers - receivable for securities sold	75,579	3,945	10,291	4,979	6,846	400,765	23,090	57,907	37,160	57,571
Financial assets at fair value through profit or loss	18,213,485	1,143,206	2,274,798	1,629,963	2,602,880	17,217,543	1,041,094	2,510,011	1,727,675	2,447,519
<b>Total assets</b>	<b>18,457,211</b>	<b>1,160,072</b>	<b>2,309,867</b>	<b>1,650,139</b>	<b>2,648,292</b>	<b>17,702,983</b>	<b>1,070,124</b>	<b>2,586,418</b>	<b>1,778,676</b>	<b>2,530,526</b>
<b>Liabilities</b>										
Margin accounts	-	-	-	-	80	-	-	-	-	-
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	-	25	-
Financial liabilities at fair value through profit or loss	3	-	1	1	-	1	63	221	68	26
<b>Total liabilities</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>80</b>	<b>1</b>	<b>63</b>	<b>221</b>	<b>93</b>	<b>26</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	58,424	-	-	-	-	167,549	-	-	-	-
- Sell foreign currency	(322,881)	(12,345)	(11,555)	(17,341)	(17,184)	(535,000)	(22,081)	(60,025)	(36,003)	(49,440)
<b>Net exposure including foreign currency forward contracts</b>	<b>18,192,751</b>	<b>1,147,727</b>	<b>2,298,311</b>	<b>1,632,797</b>	<b>2,631,028</b>	<b>17,335,531</b>	<b>1,047,980</b>	<b>2,526,172</b>	<b>1,742,580</b>	<b>2,481,060</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Foreign exchange risk (continued)

Vanguard International Small Companies Index Fund										
	30 Jun 2022					30 Jun 2021				
	US Dollar A\$'000	Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
<b>Assets</b>										
Cash and cash equivalents	6,395	1,139	183	1,216	1,459	9,593	1,975	117	1,003	411
Margin accounts	698	357	32	125	-	772	253	-	73	65
Receivables	25	794	59	-	449	1	433	36	-	275
Accrued income	964	144	353	403	256	639	77	183	296	149
Due from brokers - receivable for securities sold	2,346	3	-	-	-	9,382	739	805	1,131	1,241
Financial assets at fair value through profit or loss	1,057,030	127,379	105,905	192,161	212,448	993,148	126,238	106,719	170,663	201,484
<b>Total assets</b>	<b>1,067,458</b>	<b>129,816</b>	<b>106,532</b>	<b>193,905</b>	<b>214,612</b>	<b>1,013,535</b>	<b>129,715</b>	<b>107,860</b>	<b>173,166</b>	<b>203,625</b>
<b>Liabilities</b>										
Due to brokers - payable for securities purchased	1,028	-	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	20	12	-	5	-	9	2	-	1	-
<b>Total liabilities</b>	<b>1,048</b>	<b>12</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Net increase/(decrease) in exposure from foreign currency forward contracts</b>										
- Buy foreign currency	2,000	-	-	-	-	8,746	634	-	-	58
- Sell foreign currency	(6,544)	(1,064)	(128)	(807)	-	(25,692)	(2,369)	(736)	(1,800)	(840)
<b>Net exposure including foreign currency forward contracts</b>	<b>1,061,866</b>	<b>128,740</b>	<b>106,404</b>	<b>193,093</b>	<b>214,612</b>	<b>996,580</b>	<b>127,978</b>	<b>107,124</b>	<b>171,365</b>	<b>202,843</b>

The tables presented in note 3(b) summarise the impact of an increase/decrease of foreign exchange rates of each Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows.

#### (iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Funds have insufficient direct exposure to interest rate risk to be material. All financial liabilities are non-interest bearing.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (b) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Funds' operating profit and net assets attributable to unitholders to price risk and foreign exchange risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates as well as the indices that the individual Funds are designed to track. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Price risk movement represents the range of historical index returns from the average return based on the minimum suggested investment time frames indicated within the Funds' respective PDS minus one standard deviation to average return plus one standard deviation. The Funds have not made any changes to the methods used to determine its sensitivity to the market risk.

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard FTSE Asia ex Japan Shares Index ETF												
Price risk				Foreign exchange risk								
		Hong Kong Dollar		Taiwan New Dollar		Korean Won		Indian Rupee		Other currencies		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-2%	+4%	-10%	0%	-7%	+5%	-3%	+7%	-6%	+3%	-5%	+2%
30 Jun 2022	(7,169)	14,339	(96)	-	(63)	45	(7)	17	(17)	8	(35)	14
Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard FTSE Asia ex Japan Shares Index ETF												
Price risk				Foreign exchange risk								
		Hong Kong Dollar		Taiwan New Dollar		Korean Won		Indian Rupee		Other currencies		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-2%	+4%	-6%	+8%	-6%	+4%	-4%	+6%	-4%	+8%	-4%	+7%
30 Jun 2021	(7,648)	15,295	(57)	76	(11)	7	(7)	10	23	(47)	(127)	222

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Emerging Markets Shares Index Fund												
Price risk				Foreign exchange risk								
		Indian Rupee		Hong Kong Dollar		Korean Won		Taiwan New Dollar		Other currencies		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-3%	+4%	-6%	+3%	-10%	0%	-3%	+7%	-7%	+5%	-9%	+3%
30 Jun 2022	(49,803)	66,404	(66)	33	(344)	-	4	(9)	(264)	189	(201)	67
Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Emerging Markets Shares Index Fund												
Price risk				Foreign exchange risk								
		Indian Rupee		Hong Kong Dollar		Korean Won		Taiwan New Dollar		Other currencies		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-2%	+4%	-4%	+8%	-6%	+8%	-4%	+6%	-6%	+4%	-9%	+6%
30 Jun 2021	(33,730)	67,461	(17)	34	(477)	636	(108)	162	(240)	160	(1,751)	1,167

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard FTSE Europe Shares ETF						Vanguard FTSE Emerging Markets Shares ETF						
Price risk			Foreign exchange risk			Price risk			Foreign exchange risk			
		US Dollar		US Dollar				US Dollar		US Dollar		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-3%	+4%	-11%	0%	-3%	+4%	-11%	0%				
30 Jun 2022	(8,560)	11,414	(574)	-	(18,069)	24,092	(407)	-				
Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard FTSE Europe Shares ETF						Vanguard FTSE Emerging Markets Shares ETF						
Price risk			Foreign exchange risk			Price risk			Foreign exchange risk			
		US Dollar		US Dollar				US Dollar		US Dollar		
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	
	-3%	+4%	-6%	+8%	-2%	+4%	-6%	+8%				
30 Jun 2021	(6,532)	8,710	(88)	118	(13,016)	26,032	226	(301)				

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard International Property Securities Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	+4%	-11%	0%	-2%	+8%	-6%	+7%	-2%	+17%	-6%	+3%	
30 Jun 2022	(55,603)	74,139	(6,922)	-	(99)	396	(474)	553	(142)	1,207	(812)	406	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Value Equity Fund													
Price risk				Foreign exchange risk									
		US Dollar		Euro		British Pound		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	+4%	-11%	0%	-6%	+7%	-2%	+8%	-2%	+17%	-7%	+3%	
30 Jun 2022	(19,008)	25,343	(547)	-	(23)	27	(6)	25	(13)	114	(46)	20	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Infrastructure Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		Canadian Dollar		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-11%	0%	-7%	0%	-6%	+7%	-2%	+17%	-5%	+4%	
30 Jun 2022	(30,028)	60,059	(3,095)	-	(530)	-	(146)	170	(37)	314	(199)	159	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Infrastructure Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		Canadian Dollar		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-6%	+8%	-7%	+1%	-4%	+5%	-3%	+12%	-6%	+4%	
30 Jun 2021	(24,158)	48,317	(831)	1,108	(246)	35	(68)	84	(33)	132	(119)	80	

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Index Fund												
Price risk				Foreign exchange risk								
US Dollar		British Pound		Euro		Japanese Yen		Other currencies				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	High
-2%	+4%	-11%	0%	-2%	+8%	-6%	+7%	-2%	+17%	-7%	+3%	
30 Jun 2022	(517,286)	1,034,574	(26,810)	-	(337)	1,349	(2,104)	2,455	(403)	3,430	(3,173)	1,360

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Small Companies Index Fund												
Price risk				Foreign exchange risk								
US Dollar		British Pound		Euro		Japanese Yen		Other currencies				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	High
-2%	+4%	-6%	+8%	-6%	0%	-4%	+5%	-3%	+12%	-6%	+6%	
30 Jun 2021	(498,869)	997,739	(29,126)	38,835	(1,742)	-	(3,056)	3,820	(1,529)	6,117	(4,980)	4,980

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Small Companies Index Fund												
Price risk				Foreign exchange risk								
US Dollar		Euro		British Pound		Japanese Yen		Other currencies				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	High
-3%	+5%	-11%	0%	-6%	+7%	-2%	+8%	-2%	+17%	-6%	+3%	
30 Jun 2022	(50,847)	84,745	(1,034)	-	(147)	171	(13)	50	(35)	297	(130)	65

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Small Companies Index Fund												
Price risk				Foreign exchange risk								
US Dollar		Euro		British Pound		Japanese Yen		Other currencies				
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	High
-3%	+5%	-6%	+8%	-4%	+5%	-6%	0%	-3%	+12%	-5%	+5%	
30 Jun 2021	(47,947)	79,913	(1,223)	1,631	(139)	174	(68)	-	(75)	300	(107)	107

### (c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The Funds are exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. No loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

For Funds which invest in forward exchange contracts there is risk associated with unrealised profits.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. There were no significant concentrations of credit risk to counterparties at 30 June 2022 or 30 June 2021.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (c) Credit risk (continued)

#### (i) Derivatives

The Responsible Entity has established counterparty limits such that, at any time, exposure to derivative financial instruments equivalent to less than 5% of the value of a Fund are with any individual counterparty, and all contracts are with counterparties included in the Board's Approved Counterparties list.

The Funds also restrict their exposure to credit losses on derivative instruments they hold by entering into master netting arrangements with counterparties with whom they undertake a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities unless transactions are settled on a net basis. However, the credit risk associated with favourable contracts is reduced by master netting arrangements to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Funds' overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangements. The Funds' agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds do not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet.

During the year, the Funds could enter into collateral arrangements for forward foreign exchange contracts, repurchase agreements and reverse repurchase agreements to assist in enhancing returns in a risk controlled environment for the cash flow management of the Funds. Refer to note 6 for the balances in relation to these arrangements as of year end.

#### (ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has made payment. Payment is made on purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligations.

#### (iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1 or higher short-term Standard & Poor's credit ratings (or Moody's equivalent).

In accordance with the Responsible Entity's derivatives policy, the Responsible Entity monitors the Funds' exposures on a daily basis, which the Board of Directors reviews quarterly. The derivatives policy is subject to annual review.

#### (iv) Other

The Funds are not materially exposed to credit risk on other financial assets. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets.

The clearing and depository operations for the Funds' security transactions are mainly concentrated with one counterparty, namely JPM Chase Bank, N.A., Sydney Branch. JPM Chase Bank, N.A., Sydney Branch, is a member of a major securities exchange, and at 30 June 2022 had a credit rating of A-1 (30 June 2021: A-1). At 30 June 2022, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by JPM Chase Bank, N.A., Sydney Branch.

### (d) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds primarily hold investments that are traded in active markets and can be readily disposed. The Funds' financial instruments include investments in equity investments, fixed interest securities and derivative contracts traded over-the-counter and on an exchange. The Funds' listed securities are considered to be readily realisable as they are all listed on major stock exchanges. The Funds may use futures to gain market exposure without investing directly in the securities. This allows the Funds to maintain liquidity without being under-invested in their respective investment policies. The derivatives are not used to leverage the Funds' portfolios.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (d) Liquidity risk (continued)

The tables below analyses the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

Vanguard FTSE Asia ex Japan Shares Index ETF										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	1,790	-	-	-	1,790	1,979	-	-	-	1,979
Payables	1,366	-	-	-	1,366	1,425	-	-	-	1,425
Due to brokers - payables for securities purchased	-	-	-	-	-	42	-	-	-	42
<b>Total liabilities</b>	<b>3,156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,156</b>	<b>3,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,446</b>

Vanguard Emerging Markets Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	9,428	-	-	-	9,428	20,775	-	-	-	20,775
Payables	7,510	-	-	-	7,510	26,950	-	-	-	26,950
Due to brokers - payables for securities purchased	13,741	-	-	-	13,741	264	-	-	-	264
<b>Total liabilities</b>	<b>30,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,679</b>	<b>47,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,989</b>

Vanguard FTSE Europe Shares ETF										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	4,673	-	-	-	4,673	1,803	-	-	-	1,803
Payables	1,186	-	-	-	1,186	48	-	-	-	48
<b>Total liabilities</b>	<b>5,859</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,859</b>	<b>1,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,851</b>

Vanguard FTSE Emerging Markets Shares ETF										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	3,465	-	-	-	3,465	3,098	-	-	-	3,098
Payables	538	-	-	-	538	200	-	-	-	200
Due to brokers - payables for securities purchased	-	-	-	-	-	4,811	-	-	-	4,811
<b>Total liabilities</b>	<b>4,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,003</b>	<b>8,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,109</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (d) Liquidity risk (continued)

Vanguard International Property Securities Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Margin accounts	8	-	-	-	8	-	-	-	-	-
Distribution payable	65,206	-	-	-	65,206	21,186	-	-	-	21,186
Payables	65,374	-	-	-	65,374	44,530	-	-	-	44,530
Due to brokers - payables for securities purchased	-	-	-	-	-	395	-	-	-	395
<b>Total liabilities</b>	<b>130,588</b>	-	-	-	<b>130,588</b>	<b>66,111</b>	-	-	-	<b>66,111</b>

Vanguard Global Value Equity Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	7,587	-	-	-	7,587	1,142	-	-	-	1,142
Payables	300	-	-	-	300	58	-	-	-	58
Due to brokers - payables for securities purchased	518	-	-	-	518	458	-	-	-	458
Net assets attributable to unitholders	634,450	-	-	-	634,450	239,037	-	-	-	239,037
<b>Total liabilities</b>	<b>642,855</b>	-	-	-	<b>642,855</b>	<b>240,695</b>	-	-	-	<b>240,695</b>

Vanguard Global Infrastructure Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution payable	25,892	-	-	-	25,892	12,858	-	-	-	12,858
Payables	29,866	-	-	-	29,866	15,355	-	-	-	15,355
Net assets attributable to unitholders	1,494,820	-	-	-	1,494,820	1,207,070	-	-	-	1,207,070
<b>Total liabilities</b>	<b>1,550,578</b>	-	-	-	<b>1,550,578</b>	<b>1,235,283</b>	-	-	-	<b>1,235,283</b>

Vanguard International Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month	1-6 months	6-12 months	1-2 years	Total	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Margin accounts	80	-	-	-	80	-	-	-	-	-
Distribution payable	466,385	-	-	-	466,385	552,706	-	-	-	552,706
Payables	245,954	-	-	-	245,954	472,353	-	-	-	472,353
Due to brokers - payables for securities purchased	12	-	-	-	12	77	-	-	-	77
Net assets attributable to unitholders	25,544,300	-	-	-	25,544,300	24,712,764	-	-	-	24,712,764
<b>Total liabilities</b>	<b>26,256,731</b>	-	-	-	<b>26,256,731</b>	<b>25,737,900</b>	-	-	-	<b>25,737,900</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (d) Liquidity risk (continued)

Vanguard International Small Companies Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Distribution payable	43,469	-	-	-	43,469	48,724	-	-	-	48,724
Payables	2,076	-	-	-	2,076	29,533	-	-	-	29,533
Due to brokers - payables for securities purchased	1,028	-	-	-	1,028	-	-	-	-	-
Net assets attributable to unitholders	1,670,249	-	-	-	1,670,249	1,563,994	-	-	-	1,563,994
<b>Total liabilities</b>	<b>1,716,822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,716,822</b>	<b>1,642,251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,642,251</b>

### Maturities of gross-settled derivative financial instruments

The tables below analyse the Funds' gross-settled derivative financial instruments based on their contractual maturity. The Funds may at their discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

Vanguard FTSE Asia ex Japan Shares Index ETF										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	2,135	-	-	-	2,135	300	-	-	-	300
(Outflows)	(2,134)	-	-	-	(2,134)	(300)	-	-	-	(300)
<b>Net</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Vanguard Emerging Markets Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	9,982	-	-	-	9,982	36,347	-	-	-	36,347
(Outflows)	(9,987)	-	-	-	(9,987)	(36,349)	-	-	-	(36,349)
<b>Net</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>

Vanguard FTSE Europe Shares ETF										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	5,014	-	-	-	5,014	-	-	-	-	-
(Outflows)	(5,014)	-	-	-	(5,014)	-	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (d) Liquidity risk (continued)

#### Maturities of gross-settled derivative financial instruments (continued)

Vanguard FTSE Emerging Markets Shares ETF										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	3,100	-	-	-	3,100	5,610	-	-	-	5,610
(Outflows)	(3,100)	-	-	-	(3,100)	(5,610)	-	-	-	(5,610)
<b>Net</b>	-	-	-	-	-	-	-	-	-	-
Vanguard International Property Securities Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	112,865	3,523	-	-	116,388	54,878	-	-	-	54,878
(Outflows)	(112,869)	(3,503)	-	-	(116,372)	(54,881)	-	-	-	(54,881)
<b>Net</b>	(4)	20	-	-	16	(3)	-	-	-	(3)
Vanguard Global Value Equity Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	-	-	-	-	-	372	-	-	-	372
(Outflows)	-	-	-	-	-	(371)	-	-	-	(371)
<b>Net</b>	-	-	-	-	-	1	-	-	-	1
Vanguard Global Infrastructure Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	48,768	-	-	-	48,768	19,115	-	-	-	19,115
(Outflows)	(48,768)	-	-	-	(48,768)	(19,115)	-	-	-	(19,115)
<b>Net</b>	-	-	-	-	-	-	-	-	-	-
Vanguard International Shares Index Fund										
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	381,304	-	-	-	381,304	702,549	-	-	-	702,549
(Outflows)	(381,310)	-	-	-	(381,310)	(702,386)	-	-	-	(702,386)
<b>Net</b>	(6)	-	-	-	(6)	163	-	-	-	163

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 3 Financial risk management (continued)

### (d) Liquidity risk (continued)

#### Maturities of gross-settled derivative financial instruments (continued)

	Vanguard International Small Companies Index Fund									
	30 Jun 2022					30 Jun 2021				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	8,544	-	-	-	8,544	34,438	-	-	-	34,438
(Outflows)	(8,544)	-	-	-	(8,544)	(34,438)	-	-	-	(34,438)
Net	-	-	-	-	-	-	-	-	-	-

## 4 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVPL) (See note 6 and 7)
- Derivative financial instruments (See note 8)

The Funds have no assets or liabilities at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in note 2(b) to the financial statements. For the majority of investments, the Funds rely on information provided by independent pricing services for the valuation of investments.

The quoted market price used for financial assets held by the Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### (ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. The carrying amounts of the Funds' assets and liabilities at the balance sheet date approximate their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 4 Fair value measurement (continued)

### (ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black-Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

### Recognised fair value measurements

The following tables present the Funds' financial assets and liabilities (by asset class) measured at fair value according to the fair value hierarchy at 30 June 2022 and 30 June 2021.

	Vanguard FTSE Asia ex Japan Shares Index ETF							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	-	-	-	8	-	-	8
Equity securities	354,604	-	408	355,012	378,814	-	276	379,090
Listed unit trusts	3,470	-	-	3,470	3,285	-	-	3,285
Fixed interest securities	-	-	-	-	-	2	-	2
<b>Total</b>	<b>358,074</b>	<b>-</b>	<b>408</b>	<b>358,482</b>	<b>382,107</b>	<b>2</b>	<b>276</b>	<b>382,385</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	3	-	-	3	-	-	-	-
<b>Total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Vanguard Emerging Markets Shares Index Fund							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	2	-	2	-	8	-	8
Equity securities	1,647,709	-	1,286	1,648,995	1,672,099	-	939	1,673,038
Listed unit trusts	11,091	-	-	11,091	13,441	-	30	13,471
Fixed interest securities	-	-	-	-	-	9	-	9
<b>Total</b>	<b>1,658,800</b>	<b>2</b>	<b>1,286</b>	<b>1,660,088</b>	<b>1,685,540</b>	<b>17</b>	<b>969</b>	<b>1,686,526</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	10	7	-	17	9	4	-	13
<b>Total</b>	<b>10</b>	<b>7</b>	<b>-</b>	<b>17</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>13</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 4 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard FTSE Europe Shares ETF							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Listed unit trusts	285,338	-	-	285,338	217,738	-	-	217,738
<b>Total</b>	<b>285,338</b>	<b>-</b>	<b>-</b>	<b>285,338</b>	<b>217,738</b>	<b>-</b>	<b>-</b>	<b>217,738</b>

	Vanguard FTSE Emerging Markets Shares ETF							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Listed unit trusts	602,296	-	-	602,296	650,807	-	-	650,807
<b>Total</b>	<b>602,296</b>	<b>-</b>	<b>-</b>	<b>602,296</b>	<b>650,807</b>	<b>-</b>	<b>-</b>	<b>650,807</b>

	Vanguard International Property Securities Index Fund							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	20	-	20	-	-	-	-
Equity securities	154,674	-	-	154,674	262,789	-	-	262,789
Listed unit trusts	1,698,870	-	-	1,698,870	2,049,150	-	-	2,049,150
<b>Total</b>	<b>1,853,544</b>	<b>20</b>	<b>-</b>	<b>1,853,564</b>	<b>2,311,939</b>	<b>-</b>	<b>-</b>	<b>2,311,939</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	85	4	-	89	109	2	-	111
<b>Total</b>	<b>85</b>	<b>4</b>	<b>-</b>	<b>89</b>	<b>109</b>	<b>2</b>	<b>-</b>	<b>111</b>

	Vanguard Global Value Equity Fund							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	29	-	-	29	15	-	-	15
Equity securities	632,317	-	-	632,317	237,510	-	-	237,510
Listed unit trusts	1,234	-	-	1,234	194	-	-	194
<b>Total</b>	<b>633,580</b>	<b>-</b>	<b>-</b>	<b>633,580</b>	<b>237,719</b>	<b>-</b>	<b>-</b>	<b>237,719</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 4 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard Global Infrastructure Index Fund							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	41	-	-	41	-	-	-	-
Equity securities	1,323,763	-	-	1,323,763	1,056,942	-	-	1,056,942
Listed unit trusts	177,674	-	-	177,674	151,057	-	-	151,057
<b>Total</b>	<b>1,501,478</b>	<b>-</b>	<b>-</b>	<b>1,501,478</b>	<b>1,207,999</b>	<b>-</b>	<b>-</b>	<b>1,207,999</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	22	1	-	23	80	-	-	80
<b>Total</b>	<b>22</b>	<b>1</b>	<b>-</b>	<b>23</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>

	Vanguard International Shares Index Fund							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	-	-	-	926	167	-	1,093
Equity securities	25,251,467	-	2	25,251,469	24,411,972	-	2	24,411,974
Listed unit trusts	612,863	-	-	612,863	530,941	-	-	530,941
<b>Total</b>	<b>25,864,330</b>	<b>-</b>	<b>2</b>	<b>25,864,332</b>	<b>24,943,839</b>	<b>167</b>	<b>2</b>	<b>24,944,008</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	-	5	-	5	376	3	-	379
<b>Total</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>376</b>	<b>3</b>	<b>-</b>	<b>379</b>

	Vanguard International Small Companies Index Fund							
	30 Jun 2022				30 Jun 2021			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	10	-	10	-	4	-	4
Equity securities	1,544,284	-	145	1,544,429	1,468,626	-	109	1,468,735
Listed unit trusts	150,458	-	26	150,484	129,488	-	24	129,512
<b>Total</b>	<b>1,694,742</b>	<b>10</b>	<b>171</b>	<b>1,694,923</b>	<b>1,598,114</b>	<b>4</b>	<b>133</b>	<b>1,598,251</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	37	-	-	37	9	3	-	12
<b>Total</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>9</b>	<b>3</b>	<b>-</b>	<b>12</b>

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no changes made to any of the valuation techniques applied as of 30 June 2022.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 4 Fair value measurement (continued)

### Transfers between levels

The following table presents the transfers between levels at the end of the reporting periods 30 June 2022 and 30 June 2021:

	Vanguard FTSE Asia ex Japan Shares Index ETF			Vanguard Emerging Markets Shares Index Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3* \$'000
<b>30 Jun 2022</b>						
Transfers between level 1 and 3:						
Equity securities	(265)	-	265	(896)	-	896
<b>30 Jun 2021</b>						
Transfers between level 1 and 3:						
Equity securities	(257)	-	257	(817)	-	817
Transfers between level 2 and 3:						
Equity securities	-	(20)	20	-	(60)	60

\* As at 30 June 2022, the transfer to level 3 includes securities with a fair value of nil (cost value: \$49,015,819).

	Vanguard International Shares Index Fund			Vanguard International Small Companies Index Fund		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>30 Jun 2022</b>						
Transfers between level 1 and 3:						
Equity securities	-	-	-	(16)	-	16
<b>30 Jun 2021</b>						
Transfers between level 1 and 3:						
Equity securities	-	-	-	(9)	-	9
Transfers between level 2 and 3:						
Equity securities	-	(2)	2	-	(119)	119

The equity securities transferred into level 2 relates to the frequency of quoted price valuations. Equity securities were classified as level 3 as they are infrequently traded, or have a stale price. There were no transfers out of level 3 during the reporting period.

### Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

## 5 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	(77,619)	57,313	(382,891)	311,628	(48,422)	32,445	(117,098)	99,190
Net realised gain/(loss) on financial instruments at fair value through profit or loss	(671)	609	(10,910)	14,490	447	5,241	4,796	3,172
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<b>(78,290)</b>	<b>57,922</b>	<b>(393,801)</b>	<b>326,118</b>	<b>(47,975)</b>	<b>37,686</b>	<b>(112,302)</b>	<b>102,362</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 5 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	(272,901)	381,903	(51,934)	29,709	85,082	72,201
Net realised gain/(loss) on financial instruments at fair value through profit or loss	120,547	12,994	8,040	2,738	43,217	9,032
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<b>(152,354)</b>	<b>394,897</b>	<b>(43,894)</b>	<b>32,447</b>	<b>128,299</b>	<b>81,233</b>

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	(2,678,671)	4,341,431	(391,383)	344,692
Net realised gain/(loss) on financial instruments at fair value through profit or loss	341,892	710,188	72,133	88,986
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<b>(2,336,779)</b>	<b>5,051,619</b>	<b>(319,250)</b>	<b>433,678</b>

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# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 6 Financial assets at fair value through profit or loss

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	-	8	2	8	-	-	-	-
Equity securities	355,012	379,090	1,648,995	1,673,038	-	-	-	-
Listed unit trusts	3,470	3,285	11,091	13,471	285,338	217,738	602,296	650,807
Fixed interest securities	-	2	-	9	-	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>358,482</b>	<b>382,385</b>	<b>1,660,088</b>	<b>1,686,526</b>	<b>285,338</b>	<b>217,738</b>	<b>602,296</b>	<b>650,807</b>
<b>Comprising:</b>								
<b>Derivatives</b>								
Foreign currency forward contracts	-	-	2	1	-	-	-	-
International share price futures	-	8	-	-	-	-	-	-
International warrants	-	-	-	7	-	-	-	-
Total derivatives	-	8	2	8	-	-	-	-
<b>Equity securities</b>								
International equity securities	355,012	379,090	1,648,995	1,673,038	-	-	-	-
Total equity securities	355,012	379,090	1,648,995	1,673,038	-	-	-	-
<b>Listed units trusts</b>								
International listed trusts	3,470	3,285	11,091	13,471	285,338	217,738	602,296	650,807
Total listed unit trusts	3,470	3,285	11,091	13,471	285,338	217,738	602,296	650,807
<b>Fixed interest securities</b>								
International fixed interest securities	-	2	-	9	-	-	-	-
Total fixed interest securities	-	2	-	9	-	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>358,482</b>	<b>382,385</b>	<b>1,660,088</b>	<b>1,686,526</b>	<b>285,338</b>	<b>217,738</b>	<b>602,296</b>	<b>650,807</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 6 Financial assets at fair value through profit or loss (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
<b>Financial assets at fair value through profit or loss</b>						
Derivatives	20	-	29	15	41	-
Equity securities	154,674	262,789	632,317	237,510	1,323,763	1,056,942
Listed unit trusts	1,698,870	2,049,150	1,234	194	177,674	151,057
<b>Total financial assets at fair value through profit or loss</b>	<b>1,853,564</b>	<b>2,311,939</b>	<b>633,580</b>	<b>237,719</b>	<b>1,501,478</b>	<b>1,207,999</b>
<b>Comprising:</b>						
<b>Derivatives</b>						
Foreign currency forward contracts	20	-	-	-	-	-
International share price futures	-	-	29	15	41	-
Total derivatives	20	-	29	15	41	-
<b>Equity securities</b>						
Australian equity securities	-	-	2,466	1,101	3,025	3,962
International equity securities	154,674	262,789	629,851	236,409	1,320,738	1,052,980
Total equity securities	154,674	262,789	632,317	237,510	1,323,763	1,056,942
<b>Listed units trusts</b>						
Australian listed trusts	-	-	-	-	28,801	24,587
International listed trusts	1,698,870	2,049,150	1,234	194	148,873	126,470
Total listed unit trusts	1,698,870	2,049,150	1,234	194	177,674	151,057
<b>Total financial assets at fair value through profit or loss</b>	<b>1,853,564</b>	<b>2,311,939</b>	<b>633,580</b>	<b>237,719</b>	<b>1,501,478</b>	<b>1,207,999</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 6 Financial assets at fair value through profit or loss (continued)

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	1,093	10	4
Equity securities	25,251,469	24,411,974	1,544,429	1,468,735
Listed unit trusts	612,863	530,941	150,484	129,512
<b>Total financial assets at fair value through profit or loss</b>	<b>25,864,332</b>	<b>24,944,008</b>	<b>1,694,923</b>	<b>1,598,251</b>
<b>Comprising:</b>				
<b>Derivatives</b>				
Foreign currency forward contracts	-	167	-	3
International share price futures	-	926	-	-
International warrants	-	-	10	1
Total derivatives	-	1,093	10	4
<b>Equity securities</b>				
International equity securities	25,251,469	24,411,974	1,544,429	1,468,735
Total equity securities	25,251,469	24,411,974	1,544,429	1,468,735
<b>Listed units trusts</b>				
International listed trusts	612,863	530,941	150,484	129,512
Total listed unit trusts	612,863	530,941	150,484	129,512
<b>Total financial assets at fair value through profit or loss</b>	<b>25,864,332</b>	<b>24,944,008</b>	<b>1,694,923</b>	<b>1,598,251</b>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

## 7 Financial liabilities at fair value through profit or loss

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard International Property Securities Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
<b>Financial liabilities at fair value through profit or loss</b>						
Derivatives	3	-	17	13	89	111
<b>Total financial liabilities at fair value through profit or loss</b>	<b>3</b>	<b>-</b>	<b>17</b>	<b>13</b>	<b>89</b>	<b>111</b>
<b>Comprising:</b>						
<b>Derivatives</b>						
Foreign currency forward contracts	-	-	7	4	4	2
Australian share price futures	-	-	-	-	4	-
International share price futures	3	-	10	9	81	109
Total derivatives	3	-	17	13	89	111
<b>Total financial liabilities at fair value through profit or loss</b>	<b>3</b>	<b>-</b>	<b>17</b>	<b>13</b>	<b>89</b>	<b>111</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 7 Financial liabilities at fair value through profit or loss (continued)

	Vanguard Global Infrastructure Index Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
<b>Financial liabilities at fair value through profit or loss</b>						
Derivatives	23	80	5	379	37	12
<b>Total financial liabilities at fair value through profit or loss</b>	<b>23</b>	<b>80</b>	<b>5</b>	<b>379</b>	<b>37</b>	<b>12</b>
<b>Comprising:</b>						
<b>Derivatives</b>						
Foreign currency forward contracts	1	-	5	3	-	3
International share price futures	22	80	-	376	37	9
Total derivatives	23	80	5	379	37	12
<b>Total financial liabilities at fair value through profit or loss</b>	<b>23</b>	<b>80</b>	<b>5</b>	<b>379</b>	<b>37</b>	<b>12</b>

An overview of the risk exposures relating to financial liabilities at fair value through profit or loss is included in note 3.

## 8 Derivative financial instruments

In the normal course of business the Funds enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of a Fund against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds hold the following derivative instruments:

### Forward currency contracts

Forward currency contracts are primarily used by the Funds to manage against foreign currency risks on their investments. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period.

### Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 8 Derivative financial instruments (continued)

### Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Funds are exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

The Funds' derivative financial instruments at year end are detailed below:

	Vanguard FTSE Asia ex Japan Shares Index ETF					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	2,135	-	-	300	-	-
International share price index futures	1,312	-	3	2,638	8	-
<b>Total</b>	<b>3,447</b>	<b>-</b>	<b>3</b>	<b>2,938</b>	<b>8</b>	<b>-</b>

	Vanguard Emerging Markets Shares Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	9,982	2	7	36,347	1	4
International share price index futures	8,239	-	10	6,822	-	9
International warrants	-	-	-	-	7	-
<b>Total</b>	<b>18,221</b>	<b>2</b>	<b>17</b>	<b>43,169</b>	<b>8</b>	<b>13</b>

	Vanguard FTSE Europe Shares ETF					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	5,014	-	-	-	-	-
<b>Total</b>	<b>5,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Vanguard FTSE Emerging Markets Shares ETF					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	3,100	-	-	5,610	-	-
<b>Total</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>5,610</b>	<b>-</b>	<b>-</b>

	Vanguard International Property Securities Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	116,388	20	4	54,878	-	2
Australian share price index futures	162	-	4	-	-	-
International share price index futures	9,328	-	81	4,388	-	109
<b>Total</b>	<b>125,878</b>	<b>20</b>	<b>89</b>	<b>59,266</b>	<b>-</b>	<b>111</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 8 Derivative financial instruments (continued)

	Vanguard Global Value Equity Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	-	-	-	372	-	-
International share price index futures	1,929	29	-	1,000	15	-
<b>Total</b>	<b>1,929</b>	<b>29</b>	<b>-</b>	<b>1,372</b>	<b>15</b>	<b>-</b>

	Vanguard Global Infrastructure Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	48,768	-	1	19,115	-	-
International share price index futures	7,311	41	22	6,131	-	80
<b>Total</b>	<b>56,079</b>	<b>41</b>	<b>23</b>	<b>25,246</b>	<b>-</b>	<b>80</b>

	Vanguard International Shares Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	381,304	-	5	702,549	167	3
International share price index futures	-	-	-	128,123	926	376
<b>Total</b>	<b>381,304</b>	<b>-</b>	<b>5</b>	<b>830,672</b>	<b>1,093</b>	<b>379</b>

	Vanguard International Small Companies Index Fund					
	2022			2021		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	8,544	-	-	34,438	3	3
International share price index futures	9,199	-	37	2,858	-	9
International warrants	1	10	-	-	1	-
<b>Total</b>	<b>17,744</b>	<b>10</b>	<b>37</b>	<b>37,296</b>	<b>4</b>	<b>12</b>

### Risk exposures and fair value measurements

Information about the Funds' exposure to credit risk and foreign exchange risk and about the methods and assumptions used in determining fair values is provided in note 3 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 9 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. Otherwise the financial instrument should be disclosed as a liability.

Movement in number of units and net assets attributable to unitholders during the year were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard Emerging Markets Shares Index Fund			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	4,641	2,776	385,175	182,942	672,409	572,541	1,681,864	1,149,186
Applications	760	1,855	58,949	143,762	245,809	174,186	557,655	403,747
Redemptions	(115)	-	(7,657)	-	(96,804)	(88,218)	(217,961)	(205,689)
Units issued upon reinvestment of distributions	17	10	1,323	718	13,531	13,900	32,368	29,070
Distributions paid and payable	-	-	(6,852)	(4,797)	-	-	(34,490)	(42,553)
Profit/(loss) for the year	-	-	(71,229)	62,550	-	-	(356,685)	348,103
<b>Closing balance as at 30 June</b>	<b>5,303</b>	<b>4,641</b>	<b>359,709</b>	<b>385,175</b>	<b>834,945</b>	<b>672,409</b>	<b>1,662,751</b>	<b>1,681,864</b>

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	3,410	3,310	217,554	172,442	8,128	5,395	650,478	344,555
Applications	2,185	1,385	138,593	80,467	1,530	3,020	114,825	225,818
Redemptions	(400)	(1,290)	(23,766)	(73,159)	(705)	(300)	(52,475)	(21,759)
Units issued upon reinvestment of distributions	7	5	476	266	32	13	2,407	899
Distributions paid and payable	-	-	(8,844)	(4,320)	-	-	(14,357)	(8,510)
Profit/(loss) for the year	-	-	(39,290)	41,858	-	-	(98,721)	109,475
<b>Closing balance as at 30 June</b>	<b>5,202</b>	<b>3,410</b>	<b>284,723</b>	<b>217,554</b>	<b>8,985</b>	<b>8,128</b>	<b>602,157</b>	<b>650,478</b>

	Vanguard International Property Securities Index Fund			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,995,219	1,896,973	2,301,534	1,819,405
Applications	471,808	544,331	567,242	538,576
Redemptions	(730,728)	(488,689)	(856,642)	(491,306)
Units issued upon reinvestment of distributions	90,352	42,604	108,411	41,664
Distributions paid and payable	-	-	(197,517)	(59,053)
Profit/(loss) for the year	-	-	(102,711)	452,248
<b>Closing balance as at 30 June</b>	<b>1,826,651</b>	<b>1,995,219</b>	<b>1,820,317</b>	<b>2,301,534</b>

	Vanguard Global Value Equity Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	26,732	7,962	34,390	6,944	3,603	682	204,647	26,227
Applications	69,599	21,630	92,576	24,930	6,775	2,920	404,803	151,091
Redemptions	(11,270)	(2,910)	(14,808)	(2,827)	(620)	-	(35,131)	-
Units issued upon reinvestment of distributions	239	50	317	47	7	1	427	34
Increase/(decrease) in net assets attributable to unitholders	-	-	(8,526)	5,296	-	-	(44,245)	27,295
<b>Closing balance as at 30 June</b>	<b>85,300</b>	<b>26,732</b>	<b>103,949</b>	<b>34,390</b>	<b>9,765</b>	<b>3,603</b>	<b>530,501</b>	<b>204,647</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 9 Net assets attributable to unitholders (continued)

	Vanguard Global Infrastructure Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Balance as at 1 July	863,839	593,284	1,056,462	685,120	2,622	1,682	150,608	90,537
Applications	407,819	428,717	537,969	499,013	2,585	935	158,377	50,546
Redemptions	(381,374)	(185,451)	(499,102)	(218,371)	(440)	-	(27,659)	-
Units issued upon reinvestment of distributions	29,928	27,289	38,653	31,481	6	5	385	295
Increase/(decrease) in net assets attributable to unitholders	-	-	59,050	59,219	-	-	20,077	9,230
<b>Closing balance as at 30 June</b>	<b>920,212</b>	<b>863,839</b>	<b>1,193,032</b>	<b>1,056,462</b>	<b>4,773</b>	<b>2,622</b>	<b>301,788</b>	<b>150,608</b>

	Vanguard International Shares Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Balance as at 1 July	7,083,240	6,482,395	19,638,186	14,820,972	35,850	27,356	3,438,607	2,099,799
Applications	1,557,089	1,873,696	4,432,326	4,660,918	15,000	8,545	1,493,954	737,848
Redemptions	(1,036,954)	(1,579,009)	(2,904,616)	(3,983,717)	(1,165)	(150)	(117,289)	(12,477)
Units issued upon reinvestment of distributions	228,713	306,158	645,931	727,484	157	99	15,528	8,072
Increase/(decrease) in net assets attributable to unitholders	-	-	(2,259,941)	3,412,529	-	-	(437,125)	605,365
<b>Closing balance as at 30 June</b>	<b>7,832,088</b>	<b>7,083,240</b>	<b>19,551,886</b>	<b>19,638,186</b>	<b>49,842</b>	<b>35,850</b>	<b>4,393,675</b>	<b>3,438,607</b>

	B Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
	Balance as at 1 July	17,517	13,024	1,635,971
Applications	4,392	5,354	423,450	439,033
Redemptions	(3,636)	(1,445)	(355,845)	(130,388)
Units issued upon reinvestment of distributions	355	584	34,147	45,072
Increase/(decrease) in net assets attributable to unitholders	-	-	(138,984)	308,580
<b>Closing balance as at 30 June</b>	<b>18,628</b>	<b>17,517</b>	<b>1,598,739</b>	<b>1,635,971</b>

	Vanguard International Small Companies Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 No. '000	30 Jun 2021 No. '000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Balance as at 1 July	738,093	694,495	1,432,148	1,038,046	2,092	747	131,846	35,421
Applications	231,583	144,532	440,802	255,022	1,455	1,340	88,603	77,719
Redemptions	(59,960)	(140,298)	(112,510)	(249,660)	(5)	-	(338)	-
Units issued upon reinvestment of distributions	42,560	39,364	81,303	67,098	27	5	1,623	272
Increase/(decrease) in net assets attributable to unitholders	-	-	(353,012)	321,642	-	-	(40,216)	18,434
<b>Closing balance as at 30 June</b>	<b>952,276</b>	<b>738,093</b>	<b>1,488,731</b>	<b>1,432,148</b>	<b>3,569</b>	<b>2,092</b>	<b>181,518</b>	<b>131,846</b>

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard International Property Securities Index Fund have no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 9 Net assets attributable to unitholders (continued)

### Capital risk management

The Funds consider their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified either as a liability or equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Funds' investment strategy remains unchanged and the Funds continue to hold direct investments which provide exposure to liquid assets including equity securities, income securities, interest earnings and cash equivalent securities. As such, the Funds will meet any capital requirements from the liquidation of liquid assets, which include cash and cash equivalents.

## 10 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard Emerging Markets Shares Index Fund			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	2,831	60.2770	1,673	56.9625	14,318	1.9156	13,791	2.3019
- 31 December	1,311	25.0326	948	26.5696	8,014	1.0372	5,362	0.8621
- 31 March	920	16.6820	197	4.6647	2,730	0.3357	2,625	0.4136
Distributions payable								
- 30 June	1,790	31.3365	1,979	40.3858	9,428	1.1292	20,775	3.0896
	<b>6,852</b>	<b>133.3281</b>	<b>4,797</b>	<b>128.5826</b>	<b>34,490</b>	<b>4.4177</b>	<b>42,553</b>	<b>6.6672</b>

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,156	27.4562	726	21.6462	4,304	52.1018	2,622	48.6810
- 31 December	2,335	49.4508	1,076	26.2452	5,111	58.0009	2,221	36.1708
- 31 March	680	12.5456	715	23.5760	1,477	16.2551	569	8.1239
Distributions payable								
- 30 June	4,673	89.2818	1,803	52.2594	3,465	36.9441	3,098	36.6538
	<b>8,844</b>	<b>178.7344</b>	<b>4,320</b>	<b>123.7268</b>	<b>14,357</b>	<b>163.3019</b>	<b>8,510</b>	<b>129.6295</b>

	Vanguard International Property Securities Index Fund			
	30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 30 September	25,356	1.2858	11,016	0.5942
- 31 December	52,039	2.6363	14,032	0.6991
- 31 March	54,916	2.7302	12,819	0.6262
Distributions payable				
- 30 June	65,206	3.5697	21,186	1.0618
	<b>197,517</b>	<b>10.2220</b>	<b>59,053</b>	<b>2.9813</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 10 Distributions to unitholders paid and payable (continued)

	Vanguard Global Value Equity Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	355	1.1613	15	0.2293	1,107	25.1863	87	11.2197
- 31 December	738	1.6805	43	0.4547	3,738	68.6880	228	19.1314
- 31 March	963	1.6090	52	0.2617	5,123	55.4440	232	10.9591
Distributions payable								
- 30 June	1,301	1.5257	146	0.5459	6,286	64.1985	996	27.5137
	<b>3,357</b>	<b>5.9765</b>	<b>256</b>	<b>1.4916</b>	<b>16,254</b>	<b>213.5168</b>	<b>1,543</b>	<b>68.8239</b>

	Vanguard Global Infrastructure Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	11,135	1.3031	4,481	0.6892	1,028	36.8013	555	30.7581
- 31 December	7,575	0.8534	7,846	1.0600	980	21.9622	1,024	49.9723
- 31 March	28,216	3.0137	6,956	0.8153	2,466	51.6526	940	39.0846
Distributions payable								
- 30 June	24,547	2.6675	12,200	1.4123	1,345	27.6108	658	24.3930
	<b>71,473</b>	<b>7.8377</b>	<b>31,483</b>	<b>3.9768</b>	<b>5,819</b>	<b>138.0269</b>	<b>3,177</b>	<b>144.2080</b>

	Vanguard International Shares Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	73,770	1.0004	81,939	1.2281	13,291	34.2594	9,375	34.5002
- 31 December	132,454	1.7422	203,536	2.9303	18,872	43.1163	12,520	40.3359
- 31 March	168,579	2.1256	157,794	2.2472	19,366	40.7722	10,347	31.5584
Distributions payable								
- 30 June	427,799	5.4621	509,061	7.1869	28,535	54.8340	29,848	81.3028
	<b>802,602</b>	<b>10.3303</b>	<b>952,330</b>	<b>13.5925</b>	<b>80,064</b>	<b>172.9819</b>	<b>62,090</b>	<b>187.6973</b>

	B Class							
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
					5,767	33.4626	4,933	34.6544
					7,191	41.8297	6,171	39.3870
					7,391	39.5262	5,659	31.8208
					<b>10,051</b>	<b>53.9565</b>	<b>13,797</b>	<b>78.7657</b>
					<b>30,400</b>	<b>168.7750</b>	<b>30,560</b>	<b>184.6279</b>

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# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 10 Distributions to unitholders paid and payable (continued)

	Vanguard International Small Companies Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2022		30 Jun 2021		30 Jun 2022		30 Jun 2021	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	6,581	0.8136	5,568	0.7756	494	20.7321	146	18.4945
- 31 December	21,366	2.4714	22,507	3.2325	2,325	80.3245	1,127	85.8767
- 31 March	20,744	2.2659	30,072	4.2802	2,471	77.8113	1,139	74.2518
Distributions payable								
- 30 June	38,883	4.0831	45,626	6.1816	4,586	127.7133	3,098	147.3335
	87,574	9.6340	103,773	14.4699	9,876	306.5812	5,510	325.9565

## 11 Cash and cash equivalents

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	14	145	3,319	1,440	9	185	109	248
Foreign cash at bank	2,026	3,957	18,244	15,890	156	10	384	209
<b>Total cash and cash equivalents</b>	<b>2,040</b>	<b>4,102</b>	<b>21,563</b>	<b>17,330</b>	<b>165</b>	<b>195</b>	<b>493</b>	<b>457</b>

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	281	1,703	1,221	292	1,973	585
Foreign cash at bank	2,175	3,224	807	1,420	10,946	10,066
<b>Total cash and cash equivalents</b>	<b>2,456</b>	<b>4,927</b>	<b>2,028</b>	<b>1,712</b>	<b>12,919</b>	<b>10,651</b>

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	9,809	41,252	795	3,961
Foreign cash at bank	182,465	91,864	10,392	13,099
<b>Total cash and cash equivalents</b>	<b>192,274</b>	<b>133,116</b>	<b>11,187</b>	<b>17,060</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 12 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>								
Profit/(loss) for the year	(71,229)	62,550	(356,685)	348,103	(39,290)	41,858	(98,721)	109,475
Proceeds from sale of financial instruments at fair value through profit or loss	20,108	22,360	134,089	146,118	25,443	77,824	56,365	28,903
Purchases of financial instruments at fair value through profit or loss	(74,797)	(163,752)	(470,069)	(364,943)	(144,815)	(84,686)	(127,598)	(226,842)
Net (gains)/losses on financial instruments at fair value through profit or loss	78,290	(57,922)	393,801	(326,118)	47,975	(37,686)	112,302	(102,362)
Net change in receivables	(1,036)	(345)	(5,074)	(639)	(9)	-	(8)	(20)
Net change in payables	(6)	60	2	(330)	19	9	-	93
Non-cash items	(22)	(184)	(98)	(842)	-	-	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(48,692)</b>	<b>(137,233)</b>	<b>(304,034)</b>	<b>(198,651)</b>	<b>(110,677)</b>	<b>(2,681)</b>	<b>(57,660)</b>	<b>(190,753)</b>

### (b) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	1,323	718	32,368	29,070	476	266	2,407	899
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	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>						
Profit/(loss) for the year	(102,711)	452,248	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	(52,771)	32,591	79,127	68,449
Distribution to unitholders	-	-	19,611	1,799	77,292	34,660
Proceeds from sale of financial instruments at fair value through profit or loss	827,005	384,838	142,748	37,508	285,301	111,635
Purchases of financial instruments at fair value through profit or loss	(564,060)	(540,498)	(589,834)	(209,410)	(469,883)	(454,731)
Net (gains)/losses on financial instruments at fair value through profit or loss	152,354	(394,897)	43,894	(32,446)	(128,299)	(81,233)
Distributions reinvested	(413)	-	-	-	-	-
Net change in receivables	(96)	(1,180)	(1,006)	(279)	(708)	(1,387)
Net change in payables	(122)	166	105	47	118	(214)
Non-cash items	-	-	-	-	-	(420)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>311,957</b>	<b>(99,323)</b>	<b>(437,253)</b>	<b>(170,190)</b>	<b>(157,052)</b>	<b>(323,241)</b>

### (b) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	108,411	41,664	744	81	39,038	31,776
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# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 12 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>				
Profit/(loss) for the year	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	(2,836,050)	4,326,474	(393,228)	340,076
Distribution to unitholders	913,066	1,044,980	97,450	109,283
Proceeds from sale of financial instruments at fair value through profit or loss	1,768,074	1,567,590	279,902	304,544
Purchases of financial instruments at fair value through profit or loss	(4,557,358)	(3,715,232)	(684,311)	(390,873)
Net (gains)/losses on financial instruments at fair value through profit or loss	2,336,779	(5,051,619)	319,250	(433,678)
Distributions reinvested	-	-	(42)	-
Net change in receivables	(16,102)	(8,031)	(1,452)	(401)
Net change in payables	205	984	109	151
Non-cash items	-	(373)	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(2,391,386)</b>	<b>(1,835,227)</b>	<b>(382,322)</b>	<b>(70,898)</b>
<b>(b) Non-cash financing activities</b>				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	695,606	780,628	82,926	67,370

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 13 Remuneration of auditors

The auditor's remuneration is borne by the Responsible Entity. During the year, the following fees were paid or payable for services provided by the auditor of the Funds.

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$	\$	\$
<b>Auditors of the Funds - PwC</b>						
Audit and review of financial statements	20,595	22,765	20,595	22,765	20,595	22,765
Other assurance services						
Audit of compliance plan and specified assertions report	3,452	3,388	3,452	3,388	3,452	3,388
Other non-audit services						
Tax compliance services	5,714	6,905	5,714	6,905	8,829	10,020
<b>Total services provided by PwC</b>	<b>29,761</b>	<b>33,058</b>	<b>29,761</b>	<b>33,058</b>	<b>32,876</b>	<b>36,173</b>

	Vanguard Emerging Markets Shares Index Fund		Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Auditors of the Funds - PwC</b>								
Audit and review of financial statements	18,595	20,765	18,595	20,765	24,095	26,265	21,095	23,265
Other assurance services								
Audit of compliance plan, specified assertions report and internal controls report	9,598	10,451	9,598	10,451	9,598	10,451	9,598	10,451
Other non-audit services								
Tax compliance services	8,829	10,020	8,829	10,020	8,829	10,020	8,829	10,020
<b>Total services provided by PwC</b>	<b>37,022</b>	<b>41,236</b>	<b>37,022</b>	<b>41,236</b>	<b>42,522</b>	<b>46,736</b>	<b>39,522</b>	<b>43,736</b>

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	\$	\$	\$	\$
<b>Auditors of the Funds - PwC</b>				
Audit and review of financial statements	24,595	26,765	21,595	23,765
Other assurance services				
Audit of compliance plan, specified assertions report and internal controls report	9,598	10,451	9,598	10,451
Other non-audit services				
Tax compliance services	8,829	10,020	8,829	10,020
<b>Total services provided by PwC</b>	<b>43,022</b>	<b>47,236</b>	<b>40,022</b>	<b>44,236</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 14 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Funds. The Funds consider investments in unit trusts and managed funds to be structured entities. The Funds have exposures to unconsolidated structured entities through their investment activities and these have been accounted for as financial assets at fair value through profit or loss. The nature and extent of the Funds' interests in related unconsolidated structured entities are units in underlying funds and are summarised in note 15. There are no significant interests in unrelated unconsolidated structured entities held by the Funds as at the reporting date.

The Funds' maximum exposure to loss is restricted to the carrying value of the assets. Exposure to trading assets is managed in accordance with financial risk management practices as set out in note 3, which includes an indication of changes in risk measures compared to prior year.

During the year, the Funds have not provided any financial or other support to unconsolidated structured entities and have no intention of providing financial or other support to unconsolidated structured entities in the future.

## 15 Related party transactions

### Responsible Entity

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) and ETFs is Vanguard Investments Australia Ltd (ABN 72 072 881 086 AFSL 227263), which is a wholly owned subsidiary of The Vanguard Group, Inc.

### Key management personnel

Key management personnel includes persons who were directors of Responsible Entity at any time during the financial year as follows:

J Platt (Resigned 21 January 2022)

F Kolimago (Resigned 15 October 2021)

C Mclsaac (Resigned 21 January 2022)

C Cosby (Resigned 31 December 2021)

D Shrimski

J Bendl (Appointed 21 January 2022)

C Jacques (Appointed 21 January 2022)

K Petersen (Appointed 21 January 2022)

No other person had authority and responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial year.

### Transactions with key management personnel

Key management personnel services are provided by Vanguard Investments Australia Ltd and included in the management fees. There is no separate charge for these services. There was no compensation paid directly by the Funds to any of the key management personnel.

### Key management personnel unitholdings

The key management personnel of Vanguard Investments Australia Ltd (VIA) did not hold any units in the Funds during the financial year ended 30 June 2022 and 30 June 2021.

### Key management personnel remuneration

Key management personnel are paid by the Responsible Entity. Payments made from the Funds do not include any amounts directly attributable to key management personnel remuneration.

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 15 Related party transactions (continued)

### Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

### Responsible Entity's fees and other transactions

During the year ended 30 June 2022, the Responsible Entity received an all-inclusive management fee (inclusive of GST, net of RITC available to the Funds) over the Funds' average net assets attributable to unitholders for the year as follows:

	Management costs	
	2022 % per annum	2021 % per annum
Vanguard FTSE Asia ex Japan Shares Index ETF	0.40	0.40
Vanguard Emerging Markets Shares Index Fund	0.56	0.56
Vanguard FTSE Europe Shares ETF	0.35	0.35
Vanguard FTSE Emerging Markets Shares ETF	0.48	0.48
Vanguard International Property Securities Index Fund	0.40	0.40
Vanguard Global Value Equity Fund - Wholesale Class	0.35	0.35
Vanguard Global Value Equity Fund - ETF Class	0.28	0.28
Vanguard Global Infrastructure Index Fund - Wholesale Class	0.49	0.49
Vanguard Global Infrastructure Index Fund - ETF Class	0.47	0.47
Vanguard International Shares Index Fund - Wholesale Class	0.18	0.18
Vanguard International Shares Index Fund - ETF Class	0.18	0.18
Vanguard International Shares Index Fund - B Class	0.18	0.18
Vanguard International Small Companies Index Fund - Wholesale Class	0.39	0.39
Vanguard International Small Companies Index Fund - ETF Class	0.32	0.32

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Funds and the Responsible Entity are as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2022 \$	30 Jun 2021 \$	30 Jun 2022 \$	30 Jun 2021 \$	30 Jun 2022 \$	30 Jun 2021 \$	30 Jun 2022 \$	30 Jun 2021 \$
Responsible Entity's fees for the year	1,525,608	1,132,017	9,706,566	8,010,430	794,753	528,425	2,452,371	1,830,423
Total fees payable to the Responsible Entity at year end	118,304	124,034	773,845	772,762	66,219	47,106	200,215	199,629

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2022 \$	30 Jun 2021 \$	30 Jun 2022 \$	30 Jun 2021 \$	30 Jun 2022 \$	30 Jun 2021 \$
Responsible Entity's fees for the year	9,500,981	8,006,035	1,257,330	263,200	6,903,267	4,811,830
Total fees payable to the Responsible Entity at year end	651,981	775,373	160,294	55,030	608,589	491,284

	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2022 \$	30 Jun 2021 \$	30 Jun 2022 \$	30 Jun 2021 \$
Responsible Entity's fees for the year	50,151,309	38,634,369	6,885,197	5,129,569
Total fees payable to the Responsible Entity at year end	3,917,288	3,703,992	549,041	506,406

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 15 Related party transactions (continued)

### Related party unitholdings

Parties related to the Funds, including the Responsible Entity, its affiliates or other schemes managed by the Responsible Entity, held units in the Funds and information about the Funds' interests in unconsolidated structured entities is included in the following tables. The fair values of a Fund's investments in each of its underlying funds represent the Fund's maximum exposure in these underlying funds.

Vanguard Emerging Markets Shares Index Fund								
30 Jun 2022 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard LifeStrategy® Conservative Fund	423,506	439,799	Australia	874,538	0.05	65,446	49,153	20,102
Vanguard LifeStrategy® Balanced Fund	2,192,626	2,360,875	Australia	4,694,601	0.28	178,616	10,367	103,250
Vanguard LifeStrategy® Growth Fund	4,551,428	5,485,674	Australia	10,908,263	0.66	1,083,029	148,783	224,453
Vanguard LifeStrategy® High Growth Fund	7,266,148	8,785,841	Australia	17,470,646	1.05	1,591,706	72,013	362,524
Vanguard Conservative Index Fund	25,023,628	31,559,233	Australia	62,755,535	3.78	6,535,605	-	1,274,999
Vanguard Balanced Index Fund	85,452,544	113,441,213	Australia	225,577,853	13.59	27,988,669	-	4,534,999
Vanguard Growth Index Fund	119,080,819	173,585,806	Australia	345,175,375	20.79	54,504,987	-	6,797,420
Vanguard High Growth Index Fund	105,825,153	159,600,326	Australia	317,365,249	19.12	53,775,173	-	6,188,456

Vanguard Emerging Markets Shares Index Fund								
30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard LifeStrategy® Conservative Fund	593,992	423,506	Australia	1,058,213	0.06	50,734	221,220	31,673
Vanguard LifeStrategy® Balanced Fund	2,327,202	2,192,626	Australia	5,478,716	0.33	328,843	463,419	149,218
Vanguard LifeStrategy® Growth Fund	4,519,400	4,551,428	Australia	11,372,653	0.68	582,324	550,296	302,596
Vanguard LifeStrategy® High Growth Fund	6,665,104	7,266,148	Australia	18,155,925	1.08	1,754,519	1,153,475	469,705
Vanguard Conservative Index Fund	24,819,014	25,023,628	Australia	62,526,539	3.72	4,183,020	3,978,406	1,695,468
Vanguard Balanced Index Fund	79,893,645	85,452,544	Australia	213,520,271	12.71	18,208,442	12,649,543	5,569,859
Vanguard Growth Index Fund	106,505,080	119,080,819	Australia	297,547,241	17.71	27,588,797	15,013,058	7,569,906
Vanguard High Growth Index Fund	84,266,417	105,825,153	Australia	264,425,310	15.74	34,264,179	12,705,443	6,402,463
Vanguard Managed Payout Fund	447,907	-	Australia	-	-	35,768	483,675	-

Vanguard International Property Securities Index Fund								
30 Jun 2022 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard International Property Securities Index Fund (Hedged)	1,418,013,969	1,189,320,013	Australia	1,184,681,665	65.11	387,177,221	615,871,177	133,369,209

Vanguard International Property Securities Index Fund								
30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard International Property Securities Index Fund (Hedged)	1,372,291,354	1,418,013,969	Australia	1,635,111,907	71.07	417,049,331	371,326,716	42,381,878

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 15 Related party transactions (continued)

### Related party unitholdings (continued)

Vanguard Global Value Equity Fund								
30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	1,657,839	-	Australia	-	-	174,707	1,832,546	-
Vanguard Global Infrastructure Index Fund								
30 Jun 2022 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Global Infrastructure Index Fund (Hedged)	534,277,557	529,858,331	Australia	686,643,411	57.58	206,504,879	210,924,105	43,251,519
Vanguard Global Infrastructure Index Fund								
30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Global Infrastructure Index Fund (Hedged)	340,036,162	534,277,557	Australia	653,207,741	61.85	284,052,384	89,810,989	19,401,917
Vanguard Managed Payout Fund	1,210,671	-	Australia	-	-	165,721	1,376,392	-
Vanguard International Shares Index Fund								
30 Jun 2022 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Index International Shares Fund	175,319,029	182,600,378	Australia	455,569,683	2.33	17,253,357	9,972,008	18,944,806
Vanguard LifeStrategy® Conservative Fund	1,654,508	1,460,960	Australia	3,644,949	0.02	198,577	392,125	155,283
Vanguard LifeStrategy® Balanced Fund	9,317,374	8,862,652	Australia	22,111,430	0.11	1,552,680	2,007,402	927,338
Vanguard LifeStrategy® Growth Fund	20,609,381	20,988,787	Australia	52,364,925	0.27	2,517,321	2,137,915	2,160,885
Vanguard LifeStrategy® High Growth Fund	34,151,964	35,330,090	Australia	88,145,041	0.45	3,871,789	2,693,663	3,624,608
Vanguard Conservative Index Fund	93,962,141	103,645,760	Australia	258,585,808	1.32	26,485,683	16,802,064	10,598,977
Vanguard Balanced Index Fund	365,244,118	423,440,461	Australia	1,056,441,606	5.41	98,937,107	40,740,764	43,009,088
Vanguard Growth Index Fund	547,694,001	665,850,056	Australia	1,661,229,305	8.50	164,023,758	45,867,703	67,280,921
Vanguard High Growth Index Fund	496,004,594	627,267,714	Australia	1,564,970,221	8.01	172,218,084	40,954,964	62,649,909
Vanguard International Shares Index Fund (Hedged)	2,432,869,738	2,776,809,304	Australia	6,927,861,534	35.45	663,775,238	319,835,672	284,367,600
Vanguard MSCI Index International Shares (Hedged) ETF	17,516,904	18,628,399	Australia	1,597,731,647	0.24	4,747,719	3,636,224	30,400,570

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 15 Related party transactions (continued)

### Related party unitholdings (continued)

Vanguard International Shares Index Fund								
30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Index International Shares Fund	163,194,497	175,319,029	Australia	485,896,689	2.48	20,720,466	8,595,934	23,701,400
Vanguard LifeStrategy® Conservative Fund	2,037,252	1,654,508	Australia	4,585,469	0.02	858,145	1,240,889	243,188
Vanguard LifeStrategy® Balanced Fund	9,713,166	9,317,374	Australia	25,823,101	0.13	5,613,316	6,009,108	1,309,996
Vanguard LifeStrategy® Growth Fund	20,146,777	20,609,381	Australia	57,118,900	0.29	7,353,049	6,890,445	2,839,661
Vanguard LifeStrategy® High Growth Fund	30,631,493	34,151,964	Australia	94,652,170	0.48	11,563,129	8,042,658	4,623,629
Vanguard Conservative Index Fund	94,122,547	93,962,141	Australia	260,416,075	1.33	70,157,107	70,317,513	13,046,020
Vanguard Balanced Index Fund	330,140,818	365,244,118	Australia	1,012,274,073	5.16	200,647,319	165,544,019	49,278,499
Vanguard Growth Index Fund	473,393,371	547,694,001	Australia	1,517,933,923	7.73	289,254,770	214,954,140	72,628,004
Vanguard High Growth Index Fund	377,792,843	496,004,594	Australia	1,374,676,734	7.00	286,362,474	168,150,723	63,971,273
Vanguard International Shares Index Fund (Hedged)	2,198,302,624	2,432,869,738	Australia	6,742,698,480	34.35	648,174,030	413,606,916	328,267,086
Vanguard MSCI Index International Shares (Hedged) ETF	13,024,191	17,516,904	Australia	1,635,343,104	0.25	5,937,402	1,444,689	30,559,508
Vanguard Managed Payout Fund	2,151,053	-	Australia	-	-	123,012	2,274,065	-

Vanguard International Small Companies Index Fund								
30 Jun 2022 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard LifeStrategy® Conservative Fund	569,152	524,264	Australia	820,262	0.06	96,448	141,336	49,804
Vanguard LifeStrategy® Balanced Fund	3,211,534	3,422,763	Australia	5,355,254	0.36	214,621	3,392	325,939
Vanguard LifeStrategy® Growth Fund	7,097,777	7,761,915	Australia	12,144,291	0.82	664,138	-	737,592
Vanguard LifeStrategy® High Growth Fund	11,742,889	13,646,065	Australia	21,350,634	1.43	1,903,176	-	1,266,417
Vanguard Conservative Index Fund	31,639,975	38,038,939	Australia	59,515,724	3.99	6,398,964	-	3,536,302
Vanguard Balanced Index Fund	123,160,961	157,296,547	Australia	246,106,177	16.52	34,135,586	-	14,489,495
Vanguard Growth Index Fund	188,807,233	256,736,793	Australia	401,690,386	26.96	67,929,560	-	23,423,709
Vanguard High Growth Index Fund	170,179,991	245,680,168	Australia	384,391,192	25.80	75,500,177	-	21,886,432
Vanguard International Small Companies Index Fund (Hedged)	37,556,658	57,297,938	Australia	89,648,354	6.02	28,405,450	8,664,170	5,380,301

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 15 Related party transactions (continued)

### Related party unitholdings (continued)

30 Jun 2021 Unitholder	Number of units held opening Units	Number of units held closing Units	Country of Establishment and Principal Place of Business	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard LifeStrategy® Conservative Fund	723,992	569,152	Australia	1,104,098	0.08	275,058	429,898	87,277
Vanguard LifeStrategy® Balanced Fund	3,726,544	3,211,534	Australia	6,230,054	0.44	474,354	989,364	478,029
Vanguard LifeStrategy® Growth Fund	7,717,192	7,097,777	Australia	13,768,977	0.96	1,414,777	2,034,192	1,039,569
Vanguard LifeStrategy® High Growth Fund	11,730,083	11,742,889	Australia	22,780,031	1.59	1,995,216	1,982,410	1,696,288
Vanguard Conservative Index Fund	36,027,096	31,639,975	Australia	61,378,387	4.29	4,686,937	9,074,058	4,655,402
Vanguard Balanced Index Fund	126,377,441	123,160,961	Australia	238,919,948	16.69	17,130,649	20,347,129	17,628,150
Vanguard Growth Index Fund	180,486,014	188,807,233	Australia	366,267,151	25.58	44,765,697	36,444,478	26,579,675
Vanguard High Growth Index Fund	145,364,550	170,179,991	Australia	330,132,165	23.06	55,583,495	30,768,054	23,438,176
Vanguard International Small Companies Index Fund (Hedged)	36,114,901	37,556,658	Australia	72,856,161	5.09	11,834,956	10,393,199	5,389,019

### Investments

The Funds held investments in the following schemes which were also managed by the Responsible Entity or its related parties:

30 Jun 2022	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
<b>Vanguard FTSE Europe ETF</b>	<b>285,337,548</b>	<b>United States</b>	<b>1.31</b>	<b>9,442,266</b>	<b>1,637,372</b>	<b>354,795</b>	<b>-</b>
	<b>285,337,548</b>			<b>9,442,266</b>	<b>1,637,372</b>	<b>354,795</b>	<b>-</b>

30 Jun 2021	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard FTSE Europe ETF	217,737,981	United States	0.83	4,704,896	1,039,065	970,599	-
	217,737,981			4,704,896	1,039,065	970,599	-

30 Jun 2022	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
<b>Vanguard FTSE Emerging Markets ETF</b>	<b>602,295,810</b>	<b>United States</b>	<b>0.58</b>	<b>16,009,838</b>	<b>1,821,979</b>	<b>884,073</b>	<b>-</b>
	<b>602,295,810</b>			<b>16,009,838</b>	<b>1,821,979</b>	<b>884,073</b>	<b>-</b>

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 15 Related party transactions (continued)

### Investments (continued)

30 Jun 2021	Vanguard FTSE Emerging Markets Shares ETF						
	Fair value of investment \$	Country of Establishment and Principal Place of Business	Interest held %	Distribution received/receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard FTSE Emerging Markets ETF	650,806,753	United States	0.58	8,875,853	3,463,790	431,541	-
	650,806,753			8,875,853	3,463,790	431,541	-

Interest held represents the entity's year end percentage interest of the investee funds.

A Fund's maximum exposure to loss from its interest in investee funds is equal to the total fair value of its investments in the investee funds as there is no off-balance sheet exposure relating to any of the investee funds. Once the Fund has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

The proportion of ownership interest is equal to the proportion of the voting power held.

The Funds did not hold any investments in Vanguard Investments Australia Ltd during the year.

### Other transactions within the Funds

Apart from those details disclosed in this note, no directors have entered into a material contract with the Funds during the financial year and there were no material contracts involving directors' interests subsisting at year end.

## 16 Responsible Entity's fees

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	1,526	1,132	9,707	8,010	795	528
Management costs per annum	0.40%	0.40%	0.56%	0.56%	0.35%	0.35%

	Vanguard FTSE Emerging Markets Shares ETF		Vanguard International Property Securities Index Fund	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	2,452	1,830	9,501	8,006
Management costs per annum	0.48%	0.48%	0.40%	0.40%

	Vanguard Global Value Equity Fund				Vanguard Global Infrastructure Index Fund			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	217	51	1,040	212	5,746	4,274	1,157	538
Management costs per annum	0.35%	0.35%	0.28%	0.28%	0.49%	0.49%	0.47%	0.47%

# Notes to the financial statements (continued)

For the year ended 30 June 2022

## 16 Responsible Entity's fees (continued)

	Vanguard International Small Companies Index Fund			
	Wholesale Class		ETF Class	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	6,338	4,900	547	230
Management costs per annum	0.39%	0.39%	0.32%	0.32%

	Vanguard International Shares Index Fund					
	Wholesale Class		ETF Class		B Class	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Responsible Entity's fees incurred by the Funds	39,240	31,484	7,858	4,759	3,053	2,391
Management costs per annum	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%

## 17 Securities Lending

The aggregate amount of securities on loan by the Funds and the value of collateral held by the Funds in respect of these securities are set out below. There was no cash collateral received.

	30 Jun 2022		30 Jun 2021	
	Value of outstanding securities on loan \$'000	Value of collateral \$'000	Value of outstanding securities on loan \$'000	Value of collateral \$'000
Vanguard FTSE Asia ex Japan Shares Index ETF	2,053	2,190	2,173	2,362
Vanguard Emerging Markets Shares Index Fund	11,065	11,831	6,965	7,475
Vanguard International Property Securities Index Fund	13,205	14,041	61,254	65,496
Vanguard Global Value Equity Fund	2,300	2,447	1,938	2,079
Vanguard Global Infrastructure Index Fund	1,229	1,321	3,163	3,358
Vanguard International Shares Index Fund	47,015	50,280	51,331	55,165
Vanguard International Small Companies Index Fund	47,294	51,024	33,646	36,385

## 18 Operating segments

Operating segments are reported in a manner consistent with internal reporting used by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors of the Responsible Entity. The Funds' investments are managed on a single portfolio basis in one operating segment, being investments in equity securities, listed unit trusts, fixed interest securities, derivatives and cash and cash equivalents, and performance is reviewed against the performance of the Funds' target.

## 19 Events occurring after the reporting period

There are no significant events that have occurred since balance date which would impact on the financial position of the Funds as disclosed in the balance sheet as at 30 June 2022 or on the results and cash flows of the Funds for the year ended on that date.

## 20 Contingent assets, contingent liabilities and commitments

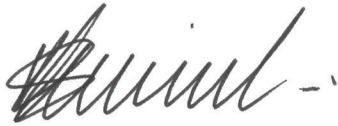
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 (30 June 2021: Nil).

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 9 to 69 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2022 and of their performance, as represented by the results of their operations for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Daniel Shrimski  
*Managing Director, Vanguard Investments Australia Ltd*  
Melbourne  
9 September 2022



## Independent auditor's report

To the unitholders of:

- Vanguard FTSE Asia ex Japan Shares Index ETF\*
- Vanguard Emerging Markets Shares Index Fund
- Vanguard FTSE Europe Shares ETF\*
- Vanguard FTSE Emerging Markets Shares ETF\*
- Vanguard International Property Securities Index Fund
- Vanguard Global Value Equity Fund\*
- Vanguard Global Infrastructure Index Fund\*
- Vanguard International Shares Index Fund\*
- Vanguard International Small Companies Index Fund\*

referred to collectively as Vanguard Wholesale International Equities Funds (Unhedged) and ETFs.

\*denotes listed Funds

## Report on the audit of the financial report

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### Our opinion

In our opinion:

The accompanying financial report of Vanguard Wholesale International Equities Funds (Unhedged) and ETFs (the Funds) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Funds' financial positions as at 30 June 2022 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *What we have audited*

The financial report comprises:

- the balance sheets as at 30 June 2022
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial report as a whole, taking into account the structure of the Funds, the accounting processes and controls and the industry in which the Funds operate.



#### Materiality

- For the purpose of our audit, we used approximately 1% of each Fund's net assets to set our overall materiality for each Fund.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.



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- We chose net assets because, in our view, it is the metric against which the performance of the Funds is most commonly measured and is a generally accepted benchmark in the fund industry.
- We utilised 1% as the threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

### Audit Scope

- Our audit focused on where the Funds made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit approach reflects the nature of the investments held by the Funds and the consideration of the work undertaken by third-party service providers. The key service provider relevant to our audit is the administrator and custodian, who maintains the accounting records of the Funds and provides custodian services for the investments.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
------------------	--

**Investments in financial assets at fair value through profit or loss**  
*Refer to note 2 (Summary of significant accounting policies) and note 4 (Fair value measurement)*

At 30 June 2022, investments in financial assets at fair value through profit or loss comprised primarily of investments in listed equity securities and listed unit trusts.

Investments in financial assets at fair value through profit or loss was a key audit matter because investments represent the principal element of the balance sheet. A discrepancy in the valuation or existence of investments could cause the net asset value to be materially misstated which would also impact the Funds' reported performance as the valuation of

To assess the design and operating effectiveness of the service providers' relevant controls, we:

- inspected the most recent reports provided to Vanguard Investments Australia Ltd (the Responsible Entity) by the service providers setting out the controls in place at those service providers, and that included an independent audit opinion over the design and operating effectiveness of those controls.
- developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken and the conclusions formed by the auditor on the design and operating effectiveness of controls, to the extent relevant to our audit of the Funds.



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**Key audit matter**

**How our audit addressed the key audit matter**

investments is the main driver of movements in the profit of the Funds.

We inspected an independent audit report issued by the third-party service provider's auditor on the valuation and existence of the Funds' investments as at balance sheet date. We compared the value of the investments at 30 June 2022 as recorded in the Funds' financial report and underlying accounting records to this report.

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**Other information**

The directors of the Responsible Entity (the directors) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

**Responsibilities of the directors for the financial report**

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.



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### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf), for the listed funds and

[http://www.auasb.gov.au/auditors\\_responsibilities/ar6.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf), for the unlisted funds. These descriptions form part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Adrian Gut'.

Adrian Gut  
Partner

Melbourne  
9 September 2022

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### **Responsible Entity**

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