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Vanguard

Product Disclosure Statement

for the Vanguard® Exchange Traded Funds (ETF)

1 September 2026

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Vanguard Investments Australia Ltd has released a Product Disclosure Statement (PDS) for the Vanguard ETF:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard Australian Shares Index ETF	VAS	Updated Product Disclosure Statement
Vanguard Australian Shares High Yield ETF	VHY	
Vanguard Australian Property Securities Index ETF	VAP	
Vanguard MSCI Australian Large Companies Index ETF	VLC	
Vanguard MSCI Australian Small Companies Index ETF	VSO	

The updated Product Disclosure Statement dated 1 September 2026 is attached and available on the Vanguard website.

If you do not have access to the internet, please contact Vanguard Client Services on 1300 655 101. A paper copy will be provided free of charge on request.

Further Information

If you have any queries on Vanguard ETFs, please visit 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 Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the PDS for informational purposes. A copy of the Target Market Determinations ("TMD") for Vanguard's financial products can be obtained at 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 these ETFs before making any investment decisions. You can access our disclosure documents at vanguard.com.au or by calling 1300 655 101. This publication was prepared in good faith and we accept no liability for any errors or omissions.

THESE FUNDS ARE NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS DIRECT OR INDIRECT INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY VANGUARD. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE OWNERS OF THESE FUNDS OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THESE FUNDS PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THESE FUNDS OR THE ISSUER OR OWNER OF THESE FUNDS. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUERS OR OWNERS OF THESE FUNDS INTO CONSIDERATION IN

Vanguard

Vanguard Australian Shares ETFs

Vanguard Australian Shares Index ETF (ASX code: VAS)
Vanguard Australian Shares High Yield ETF (ASX code: VHY)
Vanguard Australian Property Securities Index ETF (ASX code: VAP)
Vanguard MSCI Australian Large Companies Index ETF (ASX code: VLC)
Vanguard MSCI Australian Small Companies Index ETF (ASX code: VSO)
(collectively, the 'ETFs')

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Important information

Investment in the ETFs is subject to risk (refer to section 'Risks'), which may include possible delays in repayment and loss of income and capital invested.

Vanguard or any of its related entities or associates may invest in, lend to or provide services to the ETFs. Vanguard may also invest in, lend to, or provide services to funds or accounts owned or managed by its related entities or clients who have appointed Vanguard as investment manager.

The allocation of aggregated investments amongst various funds and accounts will be conducted by Vanguard and its related entities in accordance with appropriate policies and procedures to manage any conflicts of interest.

The Vanguard Group, Inc. and its subsidiaries, including Vanguard, comprise the Vanguard Group of entities. None of The Vanguard Group, Inc., Vanguard Investments Australia Ltd, nor their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income invested in, the ETFs described in this PDS. This PDS is prepared for general information only. It is not intended to be a recommendation by Vanguard, any of Vanguard's associates or any other person to invest in the ETFs. In preparing this PDS, Vanguard did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors need to consider (with or without the advice or assistance of an adviser) whether investment in an ETF is appropriate to their needs, objectives and circumstances.

Vanguard has sufficient working capital to enable it to operate the ETF as outlined in this PDS.

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

Important Notices

Authorised Participants

Please note that the offer in this Product Disclosure Statement (**PDS**) is for entities who have entered into an Authorised Participant agreement with Vanguard. For that reason, certain sections of this PDS (particularly those relating to applications for and redemptions of ETF units) are of direct relevance to such persons only.

All other investors

Other investors cannot invest through this PDS directly, but can transact in the Vanguard ETFs through a stockbroker, financial adviser or through Vanguard's retail investment platform, Vanguard Personal Investor. Other investors can use this PDS for informational purposes only. For further details on Vanguard ETFs please contact a stockbroker or financial adviser or visit vanguard.com.au.

This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia. For the avoidance of doubt, ETF units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

This PDS is not a contract – it has been prepared to help you make a fully informed decision about whether the product is right for you.

At the time of lodgement of this PDS with ASIC (being the date of this PDS), the ETF units have been admitted to Trading Status on the ASX and the ETF units are able to be traded on the market in the same way as other securities traded on the ASX (refer to the section 'Quotation under the AQUA Rules of the ASX' for further details).

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About this PDS

Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 (**Vanguard**, **we**, **us**, **our** or **responsible entity**) is the issuer of this PDS and is solely responsible for its contents.

This PDS dated 1 September 2026 is for the following ETF class of units quoted under the AQUA Rules of the ASX:

- Vanguard Australian Shares Index ETF, being a class of units in the Vanguard Australian Shares Index Fund ARSN 090 939 718
- Vanguard Australian Shares High Yield ETF, being a class of units in the Vanguard Australian Shares High Yield Fund ARSN 091 751 807
- Vanguard Australian Property Securities Index ETF, being a class of units in the Vanguard Australian Property Securities Index Fund ARSN 090 939 549
- Vanguard MSCI Australian Large Companies Index ETF, being a class of units in the Vanguard Australian Large Companies Index Fund ARSN 147 936 105
- Vanguard MSCI Australian Small Companies Index ETF, being a class of units in the Vanguard Australian Small Companies Index Fund ARSN 147 936 570

Accordingly, any references to 'ETF', 'ETFs' or 'ETF units' refers to the ASX quoted class of units (as the context requires). The ETFs are also collectively known and referenced in this PDS as the 'Vanguard Australian Shares ETFs'.

Unless otherwise stated in this PDS, or the context requires otherwise, references to provisions of the ETFs refer to the ETF classes of their respective Funds only and a reference to 'Fund' or 'Funds' in this PDS, is a reference to the Vanguard Australian Shares Index Fund, the Vanguard Australian Shares High Yield Fund, the Vanguard Australian Property Securities Index Fund, the Vanguard Australian Large Companies Index Fund and/or the Vanguard Australian Small Companies Index Fund (as the context requires).

Under the Constitution of each Fund (each a **Constitution**), Vanguard is permitted to establish different classes of units and may create additional classes of units in the Funds in the future. This PDS contains a summary of the significant information relating to an investment in the ETFs, which are classes of units in the Funds. All rights and entitlements of a unit referred to in this PDS relate to the assets, liabilities and other amounts referable to the ETF class of units in the applicable Funds. No other funds, trusts or class of units is offered under this PDS.

A copy of this PDS has been lodged with both the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange Ltd (**ASX**). Neither ASIC nor the ASX take any responsibility for the contents of this PDS.

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Obtaining the latest PDS

A copy of the latest PDS for the ETFs is available on Vanguard's website at vanguard.com.au. If you do not have access to the internet, please contact us. A paper copy will be provided free of charge on request.

Unless otherwise stated, data sources used by Vanguard are public or licensed market data, and all material is current as at the date of this PDS.

The offer to which this PDS relates is available to Authorised Participants receiving the PDS (electronically or otherwise) in Australia as well as approved offshore Authorised Participants.

Information that is not materially adverse information is subject to change from time to time and may be updated by Vanguard by publishing such information on the Vanguard website at vanguard.com.au. A paper copy of any updated information will be provided free of charge on request.

Information available from Vanguard

Vanguard is subject to regular reporting and disclosure obligations in its capacity as responsible entity of the Funds and issuer of the ETFs.

The following information can be obtained free of charge from Vanguard by visiting Vanguard's website at vanguard.com.au or, on application, by contacting us:

- details of the Net Asset Value (**NAV**) for the ETFs - available monthly
- details of the NAV price per unit for the ETFs - available daily
- Standard Basket (Pricing Basket) - available daily
- Vanguard's unit pricing discretions policy (available on request at no cost by contacting the Vanguard ETF Capital Markets Team)
- the latest copy of this PDS
- details of any continuous disclosure notices given by Vanguard to ASIC and/or the ASX
- details of distribution announcements given by Vanguard to the ASX via the ASX Market Announcements Platform (**ASX MAP**)
- annual reports and financial statements for the Fund
- half-yearly financial reports announced by Vanguard via ASX MAP
- (i) total number of ETF securities on issue (ii) total number and value of ETF securities issued in respect of the ETF (iii) total number and value of ETF securities redeemed in respect of the ETF and (iv) the difference between the amounts specified in items (ii) and (iii) – available monthly via ASX MAP
- details of the ETF Distribution Reinvestment Plan
- information about distributions for the ETFs.

1. About Vanguard

Vanguard is a wholly owned subsidiary of The Vanguard Group, Inc. (**VGI**). In Australia, Vanguard has been serving investors for over 30 years.

2. About the Vanguard Australian Shares Index ETF

Strategic asset allocation*	Australian shares 100%
Minimum suggested investment timeframe	7 years
Summary risk level	**High to very high:** The ETF is expected to have the potential for higher returns than lower risk investments, however there is the higher potential for very high volatility (for example, below average returns) and/or loss of capital.
Who it may suit	Buy and hold investors seeking long-term capital growth and some income via exposure to a diversified portfolio of Australian equity securities, and who have a higher tolerance for the risks associated with share market volatility (including higher volatility and the potential for losses).

* This is the targeted strategic asset allocation. In addition, cash or cash-equivalent instruments and derivatives may be held (directly or through investing in a Vanguard fund) for the purposes of managing liquidity, market exposure or where it is in the Fund's best interest to do so.

Fund description, investment strategy and investment return objective

This ETF is a class of the Vanguard Australian Shares Index Fund which seeks to track the return of the S&P/ASX 300 Index before taking into account fees, expenses, and tax.

The Fund will hold or be exposed to most of the securities in the index, allowing for individual security weightings to vary from the index from time to time. The Fund may invest in, or be exposed to, securities that have been removed from or are expected to be included in the index. The Fund may also hold or be exposed to securities that are not in the index where we identify opportunities to gain exposure to securities currently or expected to be included in the index, where we consider that to be in the interests of unitholders.

The Fund may also use derivative financial instruments (**derivatives**) including futures traded on a licensed exchange and over-the-counter derivatives (**OTC derivatives**), such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally, or where Vanguard considers it is in the Fund's best interest to do so.

The use of OTC derivatives will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund. However, from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged.

The Fund may engage in securities lending which is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. The Fund may undertake repurchase or reverse repurchase agreements.

Index information

The S&P/ASX 300 Index is designed to provide investors with broad exposure to the Australian equity market. The index is liquid and float-adjusted, and it measures up to 300 of Australia's largest securities by float-adjusted market capitalization. The S&P/ASX 300 Index covers the large-cap, mid-cap, and small-cap components of the S&P/ASX Index Series. This index is designed to address investment managers' needs to benchmark against a broad opportunity set characterized by sufficient size and liquidity. Index rebalancing occurs semi-annually in March and September. For further information regarding the benchmark index values, returns, and methodology please refer to S&P Dow Jones Indices website spglobal.com/spdji/en/. S&P Dow Jones Indices LLC (**S&P**) is the index provider of the S&P/ASX 300 Index. The S&P/ASX 300 Index was not created by, and is not managed by, Vanguard, VGI or its related body corporates.

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3. About the Vanguard Australian Shares High Yield ETF

Strategic asset allocation*	Australian shares 100%
Minimum suggested investment timeframe	7 years
Summary risk level	**High to very high:** The ETF is expected to have the potential for higher returns than lower risk investments, however there is the higher potential for very high volatility (for example, below-average returns) and/or loss of capital.
Who it may suit	Buy and hold investors seeking long-term capital growth and regular income via exposure to a diversified portfolio of Australian equity securities, and who have a higher tolerance for the risks associated with share market volatility (including higher volatility and the potential for losses).

* This is the targeted strategic asset allocation. In addition, cash or cash-equivalent instruments and derivatives may be held (directly or through investing in a Vanguard fund) for the purposes of managing liquidity, market exposure or where it is in the Fund's best interest to do so.

Fund description, investment strategy and investment return objective

This ETF is a class of the Vanguard Australian Shares High Yield Fund which seeks to track the return of the FTSE Australia High Dividend Yield Index before taking into account fees, expenses, and tax.

The Fund will hold or be exposed to most of the securities in the index, allowing for individual security weightings to vary from the index from time to time. The Fund may invest in, or be exposed to, securities that have been removed from or are expected to be included in the index. The Fund may also hold or be exposed to securities that are not in the index where we identify opportunities to gain exposure to securities currently or expected to be included in the index, where we consider that to be in the interests of unitholders.

The Fund may also use derivative financial instruments (**derivatives**) including futures traded on a licensed exchange and over-the-counter derivatives (**OTC derivatives**), such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally, or where Vanguard considers it is in the Fund's best interest to do so.

The use of OTC derivatives will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund. However, from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged.

The Fund may engage in securities lending which is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. The Fund may undertake repurchase or reverse repurchase agreements.

Index information

The FTSE Australia High Dividend Yield Index is a dividend focused index consisting of companies with higher forecast dividends relative to other companies listed on the ASX. The securities in the index are selected from the companies included in the FTSE Australia 200 Index[1] (**Eligible Universe**), a market capitalisation-weighted broad market index of ordinary and preferred equity securities listed on the ASX. Real estate investment trusts (A-REITs) are excluded from the Eligible Universe. The Eligible Universe are ranked according to each security's 12 month forecast dividend yield (sourced from I/B/E/S[2] – the Institutional Brokers' Estimate System) with companies not forecast to pay dividends in the next 12 months being eliminated. Companies with the highest forecast dividend yield are included in the index until approximately half of the float adjusted market capitalisation of the Eligible Universe is reached. Lastly, diversification requirements are applied to restrict the proportion of the index invested in any one industry[3] or company.

At each review no more than 40% of the index can be invested in any one industry, and no more than 10% can be invested in any one company. The index constituents are reviewed on a half-yearly basis in June and December. The methodology includes processes such as implementing additions or deletions from the index across multiple index reviews. Further information about the index can be accessed in the 'Documents' section of the Fund's page on our website. FTSE International Limited (**FTSE**) is the index provider of the FTSE Australia High Dividend Yield Index.

The FTSE Australia High Dividend Yield Index was not created by, and is not managed by, Vanguard, VGI or its related body corporates.

1 The FTSE Australia 200 Index typically represents the largest 200 companies listed on the Australian Securities Exchange meeting certain liquidity, free float criteria. For more information on this index please refer to lseg.com/en/ftse-russell.

2 I/B/E/S is the Institutional Brokers' Estimate System; a data service that collates detailed and consensus estimates of forecast measures of company earnings and performance.

3 Industries are grouped according to the Industry Classification Benchmark (ICB), a global standard developed by FTSE.

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4. About the Vanguard Australian Property Securities Index ETF

Strategic asset allocation*	Australian property securities 100%
Minimum suggested investment timeframe	7 years
Summary risk level	**High to very high:** The ETF is expected to have the potential for higher returns than lower risk investments, however there is the higher potential for very high volatility (for example, below-average returns) and/or loss of capital.
Who it may suit	Buy and hold investors seeking long-term capital growth and regular income via exposure to a portfolio of Australian property securities, and who have a higher tolerance for the risks associated with share market volatility (including higher volatility and the potential for losses).

* This is the targeted strategic asset allocation. In addition, cash or cash-equivalent instruments and derivatives may be held (directly or through investing in a Vanguard fund) for the purposes of managing liquidity, market exposure or where it is in the Fund's best interest to do so.

Fund description, investment strategy and investment return objective

This ETF is a class of the Vanguard Australian Property Securities Index Fund which seeks to track the return of the S&P/ASX 300 A-REIT Index before taking into account fees, expenses, and tax.

The Fund will hold or be exposed to most of the securities in the index, allowing for individual security weightings to vary from the index from time to time. The Fund may invest in, or be exposed to, securities that have been removed from or are expected to be included in the index. The Fund may also hold or be exposed to securities that are not in the index where we identify opportunities to gain exposure to securities currently or expected to be included in the index, where we consider that to be in the interests of unitholders.

The Fund may also use derivative financial instruments (**derivatives**) including futures traded on a licensed exchange and over-the-counter derivatives (**OTC derivatives**), such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally, or where Vanguard considers it is in the Fund's best interest to do so.

The use of OTC derivatives will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund. However, from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged.

The Fund may engage in securities lending which is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. The Fund may undertake repurchase or reverse repurchase agreements.

Index information

The S&P/ASX 300 A-REIT Index is a sector sub-index of the S&P/ASX 300. This index tracks the performance of Australian real estate investment trusts (A-REITs) and mortgage real estate investment trusts from the S&P/ASX 300. Index rebalancing occurs semi-annually in March and September.

For further information regarding the benchmark index values, returns, and methodology please refer to S&P Dow Jones Indices website spglobal.com/spdji/en/. S&P Dow Jones Indices LLC (**S&P**) is the index provider of the S&P/ASX 300 A-REIT Index.

The S&P/ASX 300 A-REIT Index was not created by, and is not managed by, Vanguard, VGI or its related body corporates.

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5. About the Vanguard MSCI Australian Large Companies Index ETF

Strategic asset allocation*	Australian shares 100%
Minimum suggested investment timeframe	7 years
Summary risk level	**High to very high:** The ETF is expected to have the potential for higher returns than lower risk investments, however there is the higher potential for very high volatility (for example, below-average returns) and/or loss of capital.
Who it may suit	Buy and hold investors seeking long-term capital growth and some income via exposure to a portfolio of Australian equity securities, and who have a higher tolerance for the risks associated with share market volatility (including higher volatility and the potential for losses).

* This is the targeted strategic asset allocation. In addition, cash or cash-equivalent instruments and derivatives may be held (directly or through investing in a Vanguard fund) for the purposes of managing liquidity, market exposure or where it is in the Fund's best interest to do so.

Fund description, investment strategy and investment return objective

This ETF is a class of the Vanguard Australian Large Companies Index Fund which seeks to track the return of the MSCI Australian Shares Large Cap Index before taking into account fees, expenses, and tax.

The Fund will hold or be exposed to most of the securities in the index, allowing for individual security weightings to vary from the index from time to time. The Fund may invest in, or be exposed to, securities that have been removed from or are expected to be included in the index. The Fund may also hold or be exposed to securities that are not in the index where we identify opportunities to gain exposure to securities currently or expected to be included in the index, where we consider that to be in the interests of unitholders.

The Fund may also use derivative financial instruments (**derivatives**) including futures traded on a licensed exchange and over-the-counter derivatives (**OTC derivatives**), such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally, or where Vanguard considers it is in the Fund's best interest to do so.

The use of OTC derivatives will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund. However, from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged.

The Fund may engage in securities lending which is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. The Fund may undertake repurchase or reverse repurchase agreements.

Index information

The MSCI Australian Shares Large Cap Index is a free float-adjusted market capitalisation index designed to reflect the performance of large cap companies in the domestic Australia equity market. The index aims to capture approximately 70% of the free float market capitalisation of the investable Australian equity universe (as determined by MSCI). The index values are calculated daily using the official exchange closing prices. Index values are available from MSCI.

The index is reviewed quarterly – in February, May, August, and November. The objective is to reflect changes in the underlying equity markets in a timely manner, while limiting undue index turnover.

MSCI Inc. (**MSCI**) is the index provider of the MSCI Australian Shares Large Cap Index. For further information regarding the benchmark index values, returns and methodology, please refer to MSCI's website at msci.com.

The MSCI Australian Shares Large Cap Index was not created by, and is not managed by, Vanguard, VGI or its related body corporates.

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6. About the Vanguard MSCI Australian Small Companies Index ETF

Strategic asset allocation*	Australian shares 100%
Minimum suggested investment timeframe	7 years
Summary risk level	**High to very high:** The ETF is expected to have the potential for higher returns than lower risk investments, however there is the higher potential for very high volatility (for example, below-average returns) and/or loss of capital.
Who it may suit	Buy and hold investors seeking long-term capital growth and some income via exposure to a diversified portfolio of Australian equity securities, and who have a higher tolerance for the risks associated with share market volatility (including higher volatility and the potential for losses).

* This is the targeted strategic asset allocation. In addition, cash or cash-equivalent instruments and derivatives may be held (directly or through investing in a Vanguard fund) for the purposes of managing liquidity, market exposure or where it is in the Fund's best interest to do so.

Fund description, investment strategy and investment return objective

This ETF is a class of the Vanguard Australian Small Companies Index Fund which seeks to track the return of the MSCI Australian Shares Small Cap Index before taking into account fees, expenses, and tax.

The Fund will hold or be exposed to most of the securities in the index, allowing for individual security weightings to vary from the index from time to time. The Fund may invest in, or be exposed to, securities that have been removed from or are expected to be included in the index. The Fund may also hold or be exposed to securities that are not in the index where we identify opportunities to gain exposure to securities currently or expected to be included in the index, where we consider that to be in the interests of unitholders.

The Fund may also use derivative financial instruments (**derivatives**) including futures traded on a licensed exchange and over-the-counter derivatives (**OTC derivatives**), such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally, or where Vanguard considers it is in the Fund's best interest to do so.

The use of OTC derivatives will generally not exceed 5% of the net asset value of the Fund, other than temporarily and in exceptional circumstances. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund. However, from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged.

The Fund may engage in securities lending which is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. The Fund may undertake repurchase or reverse repurchase agreements.

Index information

The MSCI Australian Shares Small Cap Index is a free float-adjusted market capitalisation index designed to reflect the performance of small cap companies in the domestic Australia equity market. The index aims to capture approximately 14% of the free float market capitalisation of the investable Australian equity universe (as determined by MSCI). The index values are calculated daily using the official exchange closing prices. Index values are available from MSCI.

The index is reviewed quarterly – in February, May, August, and November. The objective is to reflect changes in the underlying equity markets in a timely manner, while limiting undue index turnover. The quarterly review adjusts for significant changes between the major reviews.

MSCI Inc. (MSCI) is the index provider of the MSCI Australian Shares Small Cap Index. For further information regarding the benchmark index values, returns and methodology, please refer to MSCI's website at msci.com.

The MSCI Australian Shares Small Cap Index was not created by, and is not managed by, Vanguard, VGI or its related body corporates.

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7. Additional information about the ETFs

Cash and liquidity management

To manage day-to-day transaction requirements such as investor withdrawals and collateral requirements, the Funds may maintain a variable balance of cash. To effectively manage this cash, a Fund may invest in (directly or through another Vanguard Fund) cash equivalent instruments that aim to preserve capital and provide liquidity.

Cash equivalent instruments include, but are not limited to, high quality short-term money market instruments and short-dated debt securities such as government issued securities, government-related issued securities, repurchase agreements, and reverse repurchase agreements where government securities, government-related securities, semi-government securities or other securities may be received or provided as collateral for the term of the agreement.

Derivative financial instruments

A Fund may use derivative financial instruments (**derivatives**) including foreign exchange forwards, futures traded on a licensed exchange and OTC derivatives such as total return swaps, for the purposes of maintaining Fund liquidity, managing market exposure, and in some circumstances for managing exposure levels to certain securities by the Vanguard Group globally or where Vanguard considers it is in the Fund's best interest to do so. It is not our intention to use derivatives or other investment strategies to leverage the assets of the Fund, however from time to time there may be circumstances, for example due to market movement, where the Fund is leveraged. The eligible group of counterparties that a Fund may enter into derivative contracts with, will be determined in accordance with the relevant Vanguard global policies and documents. Under the derivative contract, Vanguard or the counterparty may or may not be required to post collateral. If provided, the collateral may include government bonds, semi-government bonds, cash or such other collateral determined by Vanguard. If provided, such collateral may not fall within the Fund's investment strategy and investment return objective and such collateral may be insufficient or unable to address any default by a counterparty of its obligations under a derivative contract. There is a risk that in the event of a failure of a counterparty to meet its obligations under a derivative contract, the Fund may incur a loss.

Total return swap contracts may be used in order to gain exposure to certain securities in keeping with the investment strategy and objective of the Fund without having to invest directly in the securities. The total return swap allows one party to derive the economic benefit of owning an asset or index without having to buy directly into that asset or index, such as receiving the equivalent of any dividends and capital gains/losses in respect of the securities, over a specified period of time.

Borrowings

Vanguard is empowered by the Constitutions to borrow or raise money for each Fund. Where a Fund borrows, it will typically be for short term needs on a secured or unsecured basis. Fund assets may be used as security to support borrowings and other fund transactions. Any borrowing costs are to be borne by the Fund. It is not currently Vanguard's intention to borrow for the purposes of gearing.

Securities lending

The Funds may engage in securities lending. Securities lending is a common practice where holders of securities make short term loans of shares in return for a fee, to incrementally increase returns to investors. For the Funds, we employ a value-oriented approach to securities lending which seeks to capture a scarcity premium by lending hard-to-borrow securities or 'specials'. Due to the higher fees charged per loan, higher returns can be generated with a lower level of securities lent. This is a more conservative approach that generally results in only a small percentage of the Fund's securities being lent. This amount will generally be capped at a maximum of 7.5% of the NAV of the relevant Fund.

We have appointed an external agent lender to facilitate the lending of securities on behalf of the relevant Fund to a select group of borrowers (banks and broker-dealers). This group of borrowers has been pre-approved in accordance with Vanguard's Global Securities Lending credit policies and limits.

Under these securities lending arrangements, a borrower is required to post collateral of at least 102% of the value of securities lent. Additionally, all loans are marked-to market daily. Depending on the arrangement, collateral may be either in the form of high-grade sovereign debt securities or cash. Where cash collateral is provided, the agent lender may invest that cash collateral in repurchase agreements which are short term (normally overnight), low risk, collaterised loans. The cash collateral is provided to an approved borrower in exchange for a basket of high-grade sovereign debt securities, which the borrower 'repurchases' for a slightly higher amount at a later date (normally the next day). Repurchase agreements are common investment products for investing securities lending cash collateral.

All revenue generated from the securities lending program is returned to the Fund, less agent lender fees. We do not retain any portion of the revenue generated from the securities lending program. The agent lender fees are reflected in each Fund's expense recoveries (see section 'Fees and Other Costs').

Reverse repurchase agreements

The Funds may enter into reverse repurchase agreements with third party counterparties. Under these reverse repurchase agreements, the Fund will lend surplus cash to a counterparty and the cash loan will be secured with the counterparty providing certain collateral to the Fund. In addition to the repayment of the loan principal, the loan of cash by the Fund will cause interest to be payable to the Fund by the counterparty with the intention to incrementally increase returns to the Fund's investors relative to holding surplus cash. The eligible group of counterparty borrowers that a Fund will enter into reverse repurchase agreements with will be determined in accordance with the relevant Vanguard policies and documents. The collateral provided to the Fund by the borrower may be in the form of government bonds, semi-government bonds, other securities determined by Vanguard and/or cash. Such collateral may not fall within the Fund's investment strategy and investment return objective and such collateral may be insufficient or unable to address any default by a counterparty of its obligations under a reverse repurchase agreement. There is a risk that in the event of a failure of a counterparty to meet its obligations under a reverse repurchase agreement that the Fund may incur a loss.

Performance

Monthly performance information for the ETFs and historical performance relative to the relevant index will be published on Vanguard's website at vanguard.com.au. Neither the return of capital nor the performance of the ETFs is guaranteed. Past performance is not an indication of future returns.

The market price of the ETF units on the Secondary Market will generally vary from the NAV price of the ETF units. There can be a number of factors influencing the current market price and causing it to differ from the NAV price, including the price movement of the securities held by the ETFs, investor demand for the ETFs and the spread between the bid price (price at which participants are willing to buy) and the ask price (price at which participants are willing to sell).

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Changes to investment objective and strategy

We may from time to time vary the investment objective and/or strategy of a Fund, including by changing the target index or strategic asset allocation. We will notify investors of any such changes in accordance with regulatory requirements.

Labour standards and environmental, social and ethical considerations

The Funds do not seek to implement a specific Environmental Social and Governance (**ESG**) strategy and are not designed for investors who wish to screen out particular types of companies or investments or are looking for funds that meet specific environmental, social, ethical and governance goals. The Funds are not marketed as ESG products in Australia. Vanguard does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments in the Funds.

Investment stewardship

Vanguard's Investment Stewardship program is focused on safeguarding and promoting long-term investment returns with the goal of giving investors in Vanguard-advised funds the best chance for investment success. We do this by:

- Independently engaging with portfolio company directors and executives to understand how they oversee, mitigate, and disclose material risks to long-term investment returns.
- Independently conducting proxy voting at portfolio company shareholder meetings based on each fund's proxy voting policies and guidelines.

For more information on Vanguard's proxy voting activities, please visit our website at vanguard.com.au.

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8. Quotation under the AQUA Rules of the ASX

The AQUA market service aims to provide managed funds, exchange traded funds and structured products with a more tailored framework for the quoting of these products on the ASX market and access to back office clearing and settlement.

The key distinction between products admitted under the ASX Listing Rules and those quoted under the ASX AQUA Rules (**AQUA Products**) is the level of influence that the issuer has over the underlying instrument. See table below for the main differences between the ASX Listing Rules and the ASX AQUA Rules.

ASX Listing Rules	ASX AQUA Rules
The equity issuer: ▪ Controls the value of its own securities and the business it runs; and ▪ The value of those securities is directly influenced by the equity issuer's performance and conduct. For example, a company's management and Board generally control the company's business and, therefore, have direct influence over the company's share price.	The AQUA Product issuer: ▪ Does not control the value of the assets underlying its products but; ▪ Offers products that give investors exposure to the underlying assets - such as shares, indices, currencies or commodities. The value (or price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself. For example, an exchange traded product issuer does not control the value of the securities it invests in.

Source: ASX Rules Framework (2011)

The following information highlights the key differences between the effect of listing under the ASX Listing Rules and quotation under the AQUA Rules.

Information	ASX Listing Rules	ASX AQUA Rules
Continuous disclosure	▪ Issuers of products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act	▪ Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the Corporations Act. ▪ There is a requirement under the AQUA Rules that an issuer of a product quoted under the AQUA Rules provide the ASX with any information that the non- disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products. What obligations apply under the AQUA Rules? ▪ There is an obligation on issuers of exchange traded funds to disclose information about the NAV of the exchange traded funds daily via either the ASX MAP or issuer's website (as specified in the relevant Product Disclosure Statement). ▪ Issuers of exchange traded funds must also disclose information about dividends, distributions and other disbursements to the ASX via ASX MAP. ▪ Any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act must be disclosed to the ASX via ASX MAP at the same time it is disclosed to ASIC.
Periodic disclosure	▪ Issuers of products under the ASX Listing Rules are required to disclose half yearly and annual financial information or annual reports under Chapter 4 of the Listing Rules.	▪ Responsible entities of AQUA Products that are exchange traded funds are still required to lodge with ASIC financial reports under Chapter 2M of the Corporations Act. Under the AQUA Rules, the responsible entity must disclose these financial reports to the ASX at the same time as lodgement with ASIC. ▪ Issuers of exchange traded funds must disclose the total number of exchange traded funds securities on issue via ASX MAP within 5 business days of the end of each month.

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Information	ASX Listing Rules	ASX AQUA Rules
Corporate control	▪ Requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and listed schemes.	▪ Certain requirements in the Corporations Act and the Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules. ▪ Issuers of products quoted under the AQUA Rules are subject to the general requirement to provide the ASX with any information concerning itself the non-disclosure of which may lead to the establishment of a false market or materially affect the price of its products.
Related party transactions	▪ Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	▪ Chapter 10 of the ASX Listing Rules does not apply to AQUA Products. AQUA Products that are registered managed investment schemes are subject to Chapter 2E and Part 5C.7 of the Corporations Act.
Auditor rotation obligations	▪ There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act.	▪ Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act. ▪ Responsible entities of registered managed investment schemes will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with section 601HG of the Corporations Act and the auditor must not be the auditor of the scheme's financial statements (though they may be from the same firm).
Product disclosure	▪ Entities admitted under the Listing Rules are subject to the requirements of the Corporations Act in relation to the issue of a PDS or prospectus. ▪ Information on the risks associated with an investment in a product is expected to be included.	▪ Products quoted under the AQUA Rules are also subject to these requirements of the Corporations Act. ▪ Investors should read the PDS or prospectus carefully before investing in an exchange traded product to fully understand the risks involved in investing in these types of products.

Source: ASX Rules Framework (2011) and ASX Operating Rules

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9. Risks

All investments carry risk. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy. It is important to keep in mind one of the principles of investing: the highest long-term returns may also carry the highest level of short-term risk. The value of the investments may go up and down, investment returns are not guaranteed, and investors may lose some or all of their money. The level of returns may vary, and future returns may differ from past returns. Laws affecting registered managed investment schemes and exchange traded products may also change in the future. The appropriate level of risk for each investor depends on a range of factors including age, investment time frames, where other parts of the investor's wealth are invested and the investor's risk tolerance.

Significant investment risks

Significant investment risks of investing in an ETF include:

COLLATERAL RISK – Where a Fund receives collateral from a counterparty in order to manage counterparty risk, there is a risk that there is a decrease in the value of the collateral or there is insufficient collateral which results in the Fund incurring a loss in the event of a counterparty default.

CONCENTRATION RISK – The Fund may have concentrated investments in particular countries, industry sectors and/or issuers. Unfavourable economic and market conditions impacting a particular country, industry sector or issuer may therefore adversely affect the value of the Fund than would be the case if the Fund were more broadly diversified over numerous countries, industry sectors and/or issuers.

COUNTERPARTY RISK – Counterparties used in connection with a Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency, bankruptcy or other events of default, which could result in substantial losses to the Fund. The Fund's counterparties may include brokers, clearing houses and other agents.

DERIVATIVE RISK – A derivative is a contract between two or more parties that derives its price from one or more underlying assets, reference rates or indexes. Derivatives are generally used as an instrument to gain market exposure or to hedge risk; however they also create exposure to additional risks, which may be different from, or possibly greater than, the risks associated with investing directly in securities. These additional risks include the possibility that: the value of the derivative may fail to move in line with the underlying asset (a performance difference), the potential lack of liquidity of the derivative, or that the parties to the derivative contract may not be able to meet their obligations. Derivative contracts are not used to leverage the assets of the Fund. A derivative contract may also give rise to counterparty and collateral risks.

FUND RISK – Funds, in simple terms, pool the money of many individual investors. Therefore, investing in a fund may give rise to different outcomes as compared to investing in the underlying securities directly. As an investor in the Fund, your investment returns may be impacted by the applications and withdrawals of other investors, the fees and costs imposed by Vanguard and different tax outcomes related to the tax laws applicable to the Fund. Distributions are not guaranteed, there may be various factors that impact the distributions and there may be periods where no distribution is paid. In addition, there is a risk that Vanguard could be replaced as the responsible entity for the Fund, or the Fund could terminate.

INDEX INACCURACY RISK – An index provider does not generally accept liability for the accuracy or completeness of the index data. There is a risk that an index provider makes errors in the construction of the index which may not be identified and corrected for a period of time. Vanguard does not provide a warranty or guarantee for index provider errors. Therefore, the gains, losses, or costs associated with an index provider's errors will be borne by the Fund and its unitholders.

INDEX TRACKING RISK – Vanguard employs an indexing investment strategy for the Fund. The Fund is not expected to perfectly replicate the performance of its benchmark index at all times. The Fund is, however, expected to provide investment results that, before expenses, generally correspond to the performance of its respective benchmark index. Although Vanguard will monitor the performance of the Fund relative to the performance of its benchmark index (i.e. the "tracking accuracy"), there can be no assurance that the Fund will achieve any particular level of tracking accuracy. The following factors may adversely affect the tracking by a Fund of its respective benchmark index:

- the Fund must pay various expenses, while an index does not reflect any expenses;
- the temporary unavailability of certain securities comprising an index;
- the implementation of processes;
- the Fund may not be able to, or may choose not to, acquire every security in the benchmark or match the benchmark weight of every security. Instead, the Fund may hold a representative sample of weighted securities which are generally expected to closely, but not necessarily exactly, match the performance of the benchmark. This approach is used to address issues such as, but not limited to, small fund size, small or illiquid benchmark components or to mitigate or offset expenses.

LIQUIDITY RISK – There may be times when the ability to invest in and liquidate the assets may be restricted by the liquidity of the market for those securities. This may in turn cause the delay in payment of withdrawals; or, in the case of applications, the delay in acquiring those securities could adversely impact the performance of the Fund. Depending on the liquidity conditions, buy-sell spreads may be adjusted.

MARKET RISK – Market risk is the possibility that market returns and/or value will decline overall. Financial markets tend to move in cycles, with periods of rising prices and periods of falling prices due to varying factors such as economic, social, environment, technological or political conditions as well as market sentiment.

OPERATIONAL RISK – Funds are subject to a number of operational risks including in relation to the administration and reporting of the Funds and the possibility that errors are made in the administration and provision of services to the Funds. While Vanguard has systems and controls in place to oversee and review information, administration, reporting and other activities and services related to the Funds, the failure of a service provider, Vanguard or any member of the Vanguard Group to adequately administer, provide services to or report accurately in relation to the Funds or their investments may adversely impact the operations or performance of the Funds. This failure may also result in inadvertent omission of approved investments, or inadvertent exposure to otherwise excluded investments. There is also a risk that circumstances beyond the reasonable control of Vanguard may prevent us from managing a Fund in accordance with its investment strategy. Such occurrences may include strikes, industrial disputes, fires, war, civil disturbances, terrorist acts, state emergencies and pandemics. By investing in a Fund, you agree that Vanguard is not liable to you if Vanguard is prevented from managing that Fund by circumstances beyond its reasonable control.

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OWNERSHIP LIMIT RISK – The ability of the Fund to purchase or sell selected securities in the Fund's target index, or to exercise rights on behalf of the Fund, may be restricted because of limitations on the aggregate level of investment for the Vanguard Group, unless regulatory or corporate consents are obtained. As a result, the Fund may be required to limit purchases, sell existing investments, or otherwise restrict or limit the exercise of shareholder rights by the Fund, including voting rights. If the Fund is required to limit its investment in a particular security, the Fund may seek to obtain economic exposure to that security through alternative means such as through derivatives, including a total return swap, which may be more costly than owning securities of the issuer directly. Ownership restrictions and limitations could result in unanticipated tax consequences to a Fund that may affect the amount, timing, and character of distributions to unitholders.

REGULATORY RISK – This is the risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, that affect the value of securities in which the Fund invests, the value of the units or the tax treatment of the Fund and its investors. The Fund may not be able to trade certain securities at any particular time due to the restrictions on trading securities in that jurisdiction or restrictions in other jurisdictions such as sanctions. A Fund may be affected by changes to legislation or government policy both in Australia and in other countries.

SECURITIES LENDING RISK – There is a risk that a borrower defaults on its obligations to return securities, resulting in costs to the Fund, and/or delays that may impair the Fund's ability to exercise voting rights, or otherwise participate in corporate actions. It may also lead to collateral and liquidity risks if the value of the collateral and/or liquidity of the replacement securities decreases. See "Securities Lending" in section 7 of this PDS for more information.

SECURITY SPECIFIC RISK – The prices of the securities a Fund invests in, either directly or indirectly (through a holding in another investment vehicle) can rise or fall independently of changes in the broad market. This may include changes in a company's operations, such as changes in management, or changes in the market environment the company operates in, or actions by regulators or competitors.

SPREAD RISK – Cash Transactions are subject to variations in the applicable buy-sell spread. The buy-sell spread can be varied at Vanguard's discretion depending on, for example, market liquidity conditions or the total amount of cash received in applications or redemptions for units on any particular day.

THIRD PARTY DATA RISK – While Vanguard has systems and controls in place to oversee and review information provided by third parties (including index providers), information may be out-of-date or contain errors. This may result in tracking error and/or differences, valuation errors, exposure to investments that do not meet the criteria for inclusion in the index and/or adverse impacts on performance.

TRADING RISK – In certain exceptional circumstances such as market disruptions, the ASX may suspend the trading of ETF units and therefore investors will not be able to buy or sell ETF units on the ASX. Where the ETF has been suspended from trading, but remains liquid, Vanguard will use its best endeavours to take all reasonable steps within its control to seek to have the ETF recommence trading as soon as possible. In these circumstances, Vanguard may suspend the application and redemption process for Authorised Participants. If applications and redemptions are suspended, Vanguard will make an announcement on the ASX Market Announcements Platform.

The ASX also imposes certain requirements for ETF units to continue to be quoted. Vanguard will endeavour to meet these requirements at all times to ensure the ETF units remain quoted. There can be no assurances that there will always be a liquid market for securities traded on the ASX. Vanguard has obligations to have market making arrangements in place under certain circumstances under the AQUA Rules. Vanguard has appointed a market maker to assist in maintaining liquidity for the ETFs on the ASX.

The purchase price and withdrawal amount applicable to ETF units may from time to time differ from the trading price of ETF units on the ASX. The trading price is dependent on a number of factors including the demand and supply of ETF units, investor confidence and how closely the value of the assets of an ETF tracks the performance of the index.

If you buy or sell ETF units on the secondary market, you will pay or receive the trading price, which may be higher or lower than the applicable NAV per unit.

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10. How to transact with Vanguard

Other than in exceptional circumstances (see "Withdrawal rights for investors other than Authorised Participants" below), **investors who are not Authorised Participants cannot apply for or redeem ETF units with Vanguard through this PDS, but may purchase or sell ETF units on the ASX through their broker or adviser.**

Prior to transacting with Vanguard, an Authorised Participant must enter into an Authorised Participant agreement with Vanguard. If access to Vanguard's online portal is requested, the Authorised Participant must also agree to additional terms and conditions of use. Please contact us for more information.

An Authorised Participant may apply for and/or redeem units in the ETFs in accordance with their Authorised Participant agreement by submitting a request to Vanguard. ETF application/redemption requests can be submitted via an ETF application/redemption Form or through Vanguard's online portal. ETF applications/redemptions must be in multiples of the creation unit for the ETF.

Authorised Participants may apply for ETF units and/or redeem ETF units:

- using the published application/redemption basket for the relevant ETF (Standard Basket);
- negotiating a custom basket* of equity securities and balancing cash payment accepted at Vanguard's discretion for the relevant ETF (Custom Basket); or
- for an amount of cash* (Cash Transactions).

**At times, these facilities may not be offered by Vanguard.*

For more information regarding Standard Basket transactions, Custom Basket transactions and Cash Transactions, including cut-off times, settlement dates and transaction confirmations, Authorised Participants should refer to the Execution and Settlement Procedures available from us upon request.

Vanguard reserves the right to refuse any application or redemption request to the extent permitted by the relevant Constitution or if the application or redemption is not in accordance with the terms of the Authorised Participant agreement. If an application or redemption request is rejected, the Authorised Participant will be notified.

CHESS Statements

Unitholders will receive a CHESS statement showing the number of ETF units they hold after they acquire ETF units. Unitholders will receive an updated CHESS statement upon the occurrence of changes to their holding.

Important notes for applications and redemptions by Authorised Participants

There may be occasions where Vanguard may suspend application or redemption requests, if permitted to do so under the applicable Fund's Constitution. For example, this may occur around the end of a distribution period when Vanguard is calculating and paying the distribution for the relevant period and during ASX settlement holidays or where there are factors, as determined by Vanguard, which prevent the accurate calculation of unit prices. Vanguard will advise Authorised Participants in the event that such a suspension will occur.

While a Fund is liquid for the purposes of the Corporations Act, Vanguard will generally satisfy a redemption of ETF units within a reasonable period, in accordance with the applicable Fund's Constitution. The Fund is liquid if 80% of the value of the relevant Fund's assets comprises liquid assets. If a Fund is illiquid, a withdrawal request must be dealt with in accordance with the applicable Fund's Constitution and the Corporations Act. You may not be able to withdraw the investment if the Fund is illiquid. It is not expected that the Fund will be illiquid.

In accordance with the applicable Fund's Constitution, redemption requests made which exceed specific thresholds over a period, as specified in the table below, may be processed progressively over a period of up to 20 successive business days at the withdrawal price applicable on each day on which the units are withdrawn.

ETF	Threshold and time period
Vanguard Australian Property Securities Index ETF	5% of the number of units on issue, made over two consecutive business days
Vanguard Australian Shares High Yield ETF	5% of the Fund's value, made over a single business day
Vanguard Australian Shares Index ETF	5% of the number of units on issue, made over two consecutive business days
Vanguard MSCI Australian Large Companies Index ETF	5% of the number of units on issue, made over a single business day
Vanguard MSCI Australian Small Companies Index ETF	5% of the number of units on issue, made over a single business day

No cooling off period applies in relation to applications for ETF units.

Withdrawal rights for investors other than Authorised Participants

Vanguard restricts the withdrawal of ETF units to investors who are Authorised Participants, and except in exceptional circumstances (as described below), only Authorised Participants may withdraw ETF units. Other investors may sell their interests on the financial market operated by the ASX. As a condition of ASIC equal treatment relief, ASIC requires that in certain circumstances, investors other than Authorised Participants have a right to redeem ETF units directly with Vanguard. When ETF units are suspended from trading on the ASX for more than 5 consecutive ASX trading days, investors have a right to withdraw from the Fund and receive a cash payment for their ETF units within a reasonable time of the date that the redemption request is accepted (or such longer period as permitted in accordance with the Fund's Constitution) unless:

- the Fund is being wound up;
- the Fund is not liquid for the purposes of the Corporations Act; or
- Vanguard, as responsible entity of the Fund, suspends redemptions of ETF units in accordance with the provisions of the Constitution.

In the event that this direct redemption right is triggered, we will post further information on our website. This will include information on how investors (other than Authorised Participants) may redeem in these circumstances.

A sell spread may apply where this right is exercised. Please refer to section 'Additional explanation of fees and costs' for more information about the sell spread. Unitholders who withdraw from an ETF will receive the withdrawal price calculated by deducting the sell spread from the ETF's NAV price per unit.

No minimum withdrawal amounts apply in these circumstances.

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Valuations and pricing

The value of an ETF unit is determined by dividing the NAV for the ETF class of units (total assets for that class, less total liabilities for that class) by the number of units on issue in that class. ETF units are generally valued using the closing prices of the underlying securities that the ETFs invest in on the relevant markets in which they trade converted into Australian dollars. The value of ETF units will change from time to time as the market value of the assets rises or falls.

Units are usually valued daily, except on non-ASX trading days or if there are factors that prevent the accurate calculation of the unit prices.

The purchase price per ETF unit (being the amount paid by an Authorised Participant for the application for ETF units) is determined by dividing the net assets of the ETF unit class by the number of ETF units on issue at the time, adjusted by the applicable buy spread for the transaction.

The withdrawal price per ETF unit (being the amount payable to an Authorised Participant on the redemption of their ETF units) is determined by dividing the net assets of the ETF unit class by the number of ETF units on issue at the time, adjusted by the applicable sell spread for the transaction.

The withdrawal price paid to an Authorised Participant on the redemption of ETF units will generally include an attribution or entitlement to taxable income. Please refer to section 'Distributions' for further details regarding how this entitlement is determined. The balance of the withdrawal amount will comprise payment of the withdrawal price of the ETF units.

Details of the daily NAV price of ETF units and Pricing Basket will be made available on Vanguard's website at vanguard.com.au or by contacting us.

Unit pricing policy

We have a documented policy in relation to various discretions that affect unit pricing within the Funds. The policy has been designed to meet ASIC's requirements and is available on request to all investors and prospective investors at no charge. The policy explains our approach in relation to buy-sell spreads, valuation methodology, rounding of decimal places, cut-off times for receiving instructions, the frequency of income distributions and unit pricing discretions generally. A copy of the policy on unit pricing discretions can be obtained at no charge by contacting us.

Facsimile, email or online instructions

For applicable investors advising Vanguard via facsimile, e-mail or online in respect of instructions (including applications and redemption requests) it is important to be aware that Vanguard:

- is deemed to have accepted an application or redemption request, only when Vanguard confirms an order has been accepted;
- will only process an application or redemption request if it is received by Vanguard in full and has been completed to Vanguard's satisfaction;
- is not responsible for any loss or delay that results from a facsimile, e-mail or online transmission not being received by Vanguard;
- will not accept:
  - a facsimile receipt confirmation from the sender's facsimile machine as evidence of receipt of the facsimile; or
  - a return receipt as evidence of receipt of an e-mail; or
  - any screenshot or extract of an online transaction produced by the sender as evidence of an online instruction;
- does not take responsibility for any fraudulently or incorrectly completed instructions; and
- will not compensate for any losses relating to facsimile, e-mail or online instructions, unless required by law. For example, the risk that a facsimile, e-mail or online transmission may be sent by a person who knows the investor's account details will be borne by the investor.

In the event of fraud, the investor agrees to release, discharge and indemnify Vanguard from and against all actions, claims, demands, expenses and liabilities (however they arise) suffered by the investor or suffered by or brought against Vanguard, in respect of the facsimile e-mail or online instructions, to the extent permitted by law.

Authorised Participants should refer to their Authorised Participant agreement and the Execution and Settlement procedures for further information in relation to transacting in ETF units.

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11. Distributions

Distributions may include income earned by the ETFs or any other amounts that Vanguard considers appropriate for distribution. As at the date of this PDS, Vanguard intends for the distributions made by the ETFs to be based on the taxable income earned by the ETFs for each year, if any. The income of the ETFs will generally include income earned on holding and disposing of the assets of the ETFs, if any.

Where a Fund is an "AMIT" (see further "Taxation" section below), as distributions for each period may be based on estimates or exclude certain types of income, the amount distributed may differ to the taxable income attributed to investors for tax purposes. Any taxable income of the ETFs that is not distributed for the period will either be held back for distribution in a later period in the same financial year, or accumulated for the ETF unit class in the relevant Fund. Vanguard may, from time to time, review its approach to distributions and elect to distribute on an alternative basis.

The following table sets out the general distribution frequencies and dates for each ETF. Distribution periods may change and we have the discretion to determine distributions at other times without notice to investors.

ETF	Distribution frequency	Payment period
Vanguard Australian Shares Index ETF	Quarterly	Normally within 20 business days following the end of the distribution period, though the Constitution permits up to two months.
Vanguard Australian Shares High Yield ETF	Quarterly	Normally within 20 business days following the end of the distribution period, though the Constitution permits up to 60 days.
Vanguard Australian Property Securities Index ETF	Quarterly	Normally within 20 business days following the end of the distribution period, though the Constitution permits up to two months.
Vanguard MSCI Australian Large Companies Index ETF	Quarterly	Normally within 15 business days following the end of the distribution period, though the Constitution permits up to three months.
Vanguard MSCI Australian Small Companies Index ETF	Semi-annually	Normally within 15 business days following the end of the distribution period, though the Constitution permits up to three months.

All ETF unitholders as at the end of the distribution entitlement date may be entitled to the distribution for that distribution period. The distribution amount will vary from period to period and there may be periods in which no distribution is made. If this should occur, details will be available on our website. The distribution entitlement date is generally the last day of the distribution period.

Distributions are calculated on a per unit basis and will be based on the number of ETF units on issue as at the end of the distribution period.

Details in relation to the distributions by the ETFs will be made available via an ASX announcement and on Vanguard's website. Investors must be registered as an ETF unitholder at the record date (as advised in the ASX announcement) to be eligible for a distribution.

Allocation of taxable income of the Funds on redemption

An Authorised Participant who redeems ETF units in the ordinary course may be attributed or distributed part of the taxable income of the relevant Fund. Please refer to section 'Taxation' for further information regarding how this entitlement is determined.

Distribution Reinvestment Plan

From time to time investors may be able to participate in the ETF Distribution Reinvestment Plan (**DRP**). Participation in the DRP is subject to the terms and conditions of the DRP Policy. As long as the DRP is offered, investors can choose to:

- participate in the DRP, in which case any distributions to which an investor is entitled will be reinvested in additional ETF units; or
- not participate in the DRP, in which case distributions will be paid directly to an investor's nominated Australian bank account.

If no DRP election is made, an investor will be deemed to have elected not to participate in any DRP on offer and distributions will automatically be paid as cash. An investor's DRP election continues until the investor makes a new DRP election.

Investors can obtain a copy of the DRP Policy and elect to participate in the DRP by registering online via Vanguard's share registrar or by calling Computershare on 1300 757 905. Investors will be notified of changes to the DRP on Vanguard's website at vanguard.com.au.

ETF	Register online for DRP
Vanguard Australian Shares Index ETF	computershare.com.au/easyupdate/VAS
Vanguard Australian Shares High Yield ETF	computershare.com.au/easyupdate/VHY
Vanguard Australian Property Securities Index ETF	computershare.com.au/easyupdate/VAP
Vanguard MSCI Australian Large Companies Index ETF	computershare.com.au/easyupdate/VLC
Vanguard MSCI Australian Small Companies Index ETF	computershare.com.au/easyupdate/VSO

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12. Fees and other costs

Did you know? Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000). You should consider whether features, such as superior investment performance or the provision of better member services, justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more: If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Our fees and costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

A fees and costs summary table in respect of each ETF is set out below.

Fees and costs summary

Vanguard Australian Shares Index ETF		
Type of fee or cost[1]	**Amount**	**How and when paid**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment[1]	0.07% p.a. of the net asset value (NAV) of the ETF comprised of: 1. A management fee of 0.07% p.a. of the NAV of the ETF; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the ETF; and 3. Estimated expense recoveries of 0.00% p.a. of the NAV of the ETF.	1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month and is paid out of the ETF's assets. 2. Indirect costs are paid out of the ETF's assets or an interposed vehicle's assets as and when incurred. 3. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the ETF unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.00% p.a. of the NAV of the ETF[3]	Transaction costs generally arise as a result of the day-to-day trading of the ETF's assets and are paid out of the ETF's assets as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2]		
Establishment fee The fee to open your investment	Nil	The ETF does not charge an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Standard Basket or Custom Basket applications: If you are an Authorised Participant - $1,500	This fee applies to Authorised Participants only and is payable at the time of applying for ETF units by way of a Standard Basket or Custom Basket application.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal[4]	Buy-sell spreads may apply to applications or withdrawals made by Authorised Participants. As at the date of this PDS, a buy spread of 0.00% is charged on each application and a sell spread of 0.00% is charged on each withdrawal.
Withdrawal fee[5] The fee on each amount you take out of your investment	Standard Basket or Custom Basket redemptions: If you are an Authorised Participant - $1,500	This fee applies to Authorised Participants only and is payable at the time of redeeming ETF units by way of a Standard Basket or Custom Basket redemption.

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Exit fee The fee to close your investment	Nil	The ETF does not charge an exit fee.
Switching fee The fee for changing investment options	Nil	The ETF does not charge switching fees.

Vanguard Australian Shares High Yield ETF		
Type of fee or cost[1]	**Amount**	**How and when paid**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment[1]	0.25% p.a. of the net asset value (NAV) of the ETF comprised of: 1. A management fee of 0.25% p.a. of the NAV of the ETF; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the ETF; and 3. Estimated expense recoveries of 0.00% p.a. of the NAV of the ETF.	1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month and is paid out of the ETF's assets. 2. Indirect costs are paid out of the ETF's assets or an interposed vehicle's assets as and when incurred. 3. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the ETF unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.01% p.a. of the NAV of the ETF[3]	Transaction costs generally arise as a result of the day-to-day trading of the ETF's assets and are paid out of the ETF's assets as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2]		
Establishment fee The fee to open your investment	Nil	The ETF does not charge an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Standard Basket or Custom Basket applications: If you are an Authorised Participant - $700	This fee applies to Authorised Participants only and is payable at the time of applying for ETF units by way of a Standard Basket or Custom Basket application.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal[4]	Buy-sell spreads may apply to applications or withdrawals made by Authorised Participants. As at the date of this PDS, a buy spread of 0.00% is charged on each application and a sell spread of 0.00% is charged on each withdrawal.
Withdrawal fee[5] The fee on each amount you take out of your investment	Standard Basket or Custom Basket redemptions: If you are an Authorised Participant - $700	This fee applies to Authorised Participants only and is payable at the time of redeeming ETF units by way of a Standard Basket or Custom Basket redemption.
Exit fee The fee to close your investment	Nil	The ETF does not charge an exit fee.
Switching fee The fee for changing investment options	Nil	The ETF does not charge switching fees.

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Vanguard Australian Property Securities Index ETF		
Type of fee or cost[1]	**Amount**	**How and when paid**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment[1]	0.23% p.a. of the net asset value (NAV) of the ETF comprised of: 1. A management fee of 0.23% p.a. of the NAV of the ETF; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the ETF; and 3. Estimated expense recoveries of 0.00% p.a. of the NAV of the ETF.	1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month and is paid out of the ETF's assets. 2. Indirect costs are paid out of the ETF's assets or an interposed vehicle's assets as and when incurred. 3. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the ETF unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.00% p.a. of the NAV of the ETF[3]	Transaction costs generally arise as a result of the day-to-day trading of the ETF's assets and are paid out of the ETF's assets as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2]		
Establishment fee The fee to open your investment	Nil	The ETF does not charge an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Standard Basket or Custom Basket applications: If you are an Authorised Participant - $200	This fee applies to Authorised Participants only and is payable at the time of applying for ETF units by way of a Standard Basket or Custom Basket application.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal[4]	Buy-sell spreads may apply to applications or withdrawals made by Authorised Participants. As at the date of this PDS, a buy spread of 0.00% is charged on each application and a sell spread of 0.00% is charged on each withdrawal.
Withdrawal fee[5] The fee on each amount you take out of your investment	Standard Basket or Custom Basket redemptions: If you are an Authorised Participant - $200	This fee applies to Authorised Participants only and is payable at the time of redeeming ETF units by way of a Standard Basket or Custom Basket redemption.
Exit fee The fee to close your investment	Nil	The ETF does not charge an exit fee.
Switching fee The fee for changing investment options	Nil	The ETF does not charge switching fees.

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Vanguard MSCI Australian Large Companies Index ETF		
Type of fee or cost[1]	**Amount**	**How and when paid**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment[1]	0.20% p.a. of the net asset value (NAV) of the ETF comprised of: 1. A management fee of 0.20% p.a. of the NAV of the ETF; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the ETF; and 3. Estimated expense recoveries of 0.00% p.a. of the NAV of the ETF.	1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month and is paid out of the ETF's assets. 2. Indirect costs are paid out of the ETF's assets or an interposed vehicle's assets as and when incurred. 3. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the ETF unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.00% p.a. of the NAV of the ETF[3]	Transaction costs generally arise as a result of the day-to-day trading of the ETF's assets and are paid out of the ETF's assets as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2]		
Establishment fee The fee to open your investment	Nil	The ETF does not charge an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Standard Basket or Custom Basket applications: If you are an Authorised Participant - $150	This fee applies to Authorised Participants only and is payable at the time of applying for ETF units by way of a Standard Basket or Custom Basket application.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal[4]	Buy-sell spreads may apply to applications or withdrawals made by Authorised Particpants. As at the date of this PDS, a buy spread of 0.00% is charged on each application and a sell spread of 0.00% is charged on each withdrawal.
Withdrawal fee[5] The fee on each amount you take out of your investment	Standard Basket or Custom Basket redemptions: If you are an Authorised Participant - $150	This fee applies to Authorised Participants only and is payable at the time of redeeming ETF units by way of a Standard Basket or Custom Basket redemption.
Exit fee The fee to close your investment	Nil	The ETF does not charge an exit fee.
Switching fee The fee for changing investment options	Nil	The ETF does not charge switching fees.

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Vanguard MSCI Australian Small Companies Index ETF		
Type of fee or cost[1]	**Amount**	**How and when paid**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment[1]	0.30% p.a. of the net asset value (NAV) of the ETF comprised of: 1. A management fee of 0.30% p.a. of the NAV of the ETF; 2. Estimated indirect costs of 0.00% p.a. of the NAV of the ETF; and 3. Estimated expense recoveries of 0.00% p.a. of the NAV of the ETF.	1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month and is paid out of the ETF's assets. 2. Indirect costs are paid out of the ETF's assets or an interposed vehicle's assets as and when incurred. 3. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the ETF unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.01% p.a. of the NAV of the ETF[3]	Transaction costs generally arise as a result of the day-to-day trading of the ETF's assets and are paid out of the ETF's assets as and when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[2]		
Establishment fee The fee to open your investment	Nil	The ETF does not charge an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Standard Basket or Custom Basket applications: If you are an Authorised Participant - $1,300	This fee applies to Authorised Participants only and is payable at the time of applying for ETF units by way of a Standard Basket or Custom Basket application.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.00% of the application amount on application and 0.00% of the withdrawal amount on withdrawal[4]	Buy-sell spreads may apply to applications or withdrawals made by Authorised Participants. As at the date of this PDS, a buy spread of 0.00% is charged on each application and a sell spread of 0.00% is charged on each withdrawal.
Withdrawal fee[5] The fee on each amount you take out of your investment	Standard Basket or Custom Basket redemptions: If you are an Authorised Participant - $1,300	This fee applies to Authorised Participants only and is payable at the time of redeeming ETF units by way of a Standard Basket or Custom Basket redemption.
Exit fee The fee to close your investment	Nil	The ETF does not charge an exit fee.
Switching fee The fee for changing investment options	Nil	The ETF does not charge switching fees.

1. See "Additional explanation of fees and costs" below for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits (and any applicable stamp duty), and are shown without any other adjustment in relation to any tax deduction available to Vanguard or to the extent which any tax deductions may be passed on to investors.

2. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year (other than any stamp duty component of transaction costs, which is included on the basis of the methodology outlined in the "Additional explanation of fees and costs" section below) and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Estimated costs are rounded to two decimal places. As a result, estimated costs stated as 0.00% p.a. may not be nil. Normal operating expenses (excluding securities lending agent fees) that would otherwise be recoverable from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers. Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable. We may change fees or introduce fees without your consent if permitted by the Constitution for the Fund. At least 30 days prior notice will be given to investors before any management fee increase.

3. The transaction costs disclosed in this section are shown net of any recovery received by the ETF from the buy-sell spread charged to transacting unitholders. Estimated transaction costs are rounded to two decimal places. As a result, estimated transaction costs stated as 0.00% p.a. may not be nil. Please refer to the "Additional explanation of fees and costs" section below for further details.

4. In estimating the buy-sell spread, we have assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Vanguard to predict) the buy-sell spread may increase significantly and it is not possible to reasonably estimate the buy-sell spread that may be applied in such situations. We may vary the buy-sell spreads from time to time, including increasing these costs without advance notice when it is necessary to protect

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the interests of existing investors and if permitted by law. The buy-sell spread does not apply to investors buying or selling ETF units on the ASX. The updated information will be disclosed on our website. Please refer to the "Additional explanation of fees and costs" section below for further details.

5. Other than in exceptional circumstances, investors other than Authorised Participants cannot redeem ETF units of a Fund with Vanguard, but may seek to sell ETF units on the ASX through their broker or adviser.

Examples of annual fees and costs

The following tables provide an example of how the ongoing annual fees and costs for each ETF can affect your investment over a one year period. You should use these tables to compare the products with other products offered by managed investment schemes.

Example - Vanguard Australian Shares Index ETF		**Balance of $550,000 with a contribution of $5,000[1] during the year**
Contribution fees	Nil if you are not an Authorised Participant; or $1,500 if you are an Authorised Participant for Standard Basket or Custom Basket applications.	For every additional $5,000 you put in, you will be charged $0 if you are not an Authorised Participant; or $1,500 if you are an Authorised Participant for Standard Basket or Custom Basket applications.
PLUS Management fees and costs[2]	0.07% p.a. of the NAV of the ETF	**And**, for every $550,000 you have in the ETF, you will be charged or have deducted from your investment $385 each year.
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Transaction costs[2]	0.00% p.a. of the NAV of the ETF	**And**, you will be charged or have deducted from your investment $0 in transaction costs.
EQUALS Cost of Fund		If you had an investment of $550,000 at the beginning of the year and you put in an additional $5,000 during that year you will be charged fees and costs of $385 (if you are not an Authorised Participant) or $1,885 (if you are an Authorised Participant).[2,3]

Example - Vanguard Australian Shares High Yield ETF		**Balance of $550,000 with a contribution of $5,000[1] during the year**
Contribution fees	Nil if you are not an Authorised Participant; or $700 if you are an Authorised Participant for Standard Basket or Custom Basket applications.	For every additional $5,000 you put in, you will be charged $0 if you are not an Authorised Participant; or $700 if you are an Authorised Participant for Standard Basket or Custom Basket applications.
PLUS Management fees and costs[2]	0.25% p.a. of the NAV of the ETF	**And**, for every $550,000 you have in the ETF, you will be charged or have deducted from your investment $1,375 each year.
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Transaction costs[2]	0.01% p.a. of the NAV of the ETF	**And**, you will be charged or have deducted from your investment $55 in transaction costs.
EQUALS Cost of Fund		If you had an investment of $550,000 at the beginning of the year and you put in an additional $5,000 during that year you will be charged fees and costs of $1,430 (if you are not an Authorised Participant) or $2,130 (if you are an Authorised Participant).[2,3]

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Example - Vanguard Australian Property Securities Index ETF		Balance of $550,000 with a contribution of $5,000[1] during the year
Contribution fees	Nil if you are not an Authorised Participant; or $200 if you are an Authorised Participant for Standard Basket or Custom Basket applications.	For every additional $5,000 you put in, you will be charged $0 if you are not an Authorised Participant; or $200 if you are an Authorised Participant for Standard Basket or Custom Basket applications.
PLUS Management fees and costs[2]	0.23% p.a. of the NAV of the ETF	**And**, for every $550,000 you have in the ETF, you will be charged or have deducted from your investment $1,265 each year.
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Transaction costs[2]	0.00% p.a. of the NAV of the ETF	**And**, you will be charged or have deducted from your investment $0 in transaction costs.
EQUALS Cost of Fund		If you had an investment of $550,000 at the beginning of the year and you put in an additional $5,000 during that year you will be charged fees and costs of $1,265 (if you are not an Authorised Participant) or $1,465 (if you are an Authorised Participant).[2,3]

Example - Vanguard MSCI Australian Large Companies Index ETF		Balance of $550,000 with a contribution of $5,000[1] during the year
Contribution fees	Nil if you are not an Authorised Participant; or $150 if you are an Authorised Participant for Standard Basket or Custom Basket applications.	For every additional $5,000 you put in, you will be charged $0 if you are not an Authorised Participant; or $150 if you are an Authorised Participant for Standard Basket or Custom Basket applications.
PLUS Management fees and costs[2]	0.20% p.a. of the NAV of the ETF	**And**, for every $550,000 you have in the ETF, you will be charged or have deducted from your investment $1,100 each year.
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Transaction costs[2]	0.00% p.a. of the NAV of the ETF	**And**, you will be charged or have deducted from your investment $0 in transaction costs.
EQUALS Cost of Fund		If you had an investment of $550,000 at the beginning of the year and you put in an additional $5,000 during that year you will be charged fees and costs of $1,100 (if you are not an Authorised Participant) or $1,250 (if you are an Authorised Participant).[2,3]

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Example - Vanguard MSCI Australian Small Companies Index ETF		Balance of $550,000 with a contribution of $5,000[1] during the year
Contribution fees	Nil if you are not an Authorised Participant; or $1,300 if you are an Authorised Participant for Standard Basket or Custom Basket applications.	For every additional $5,000 you put in, you will be charged $0 if you are not an Authorised Participant; or $1,300 if you are an Authorised Participant for Standard Basket or Custom Basket applications.
PLUS Management fees and costs[2]	0.30% p.a. of the NAV of the ETF	**And**, for every $550,000 you have in the ETF, you will be charged or have deducted from your investment $1,650 each year.
PLUS Performance fees	Nil	**And**, you will be charged or have deducted from your investment $0 in performance fees each year.
PLUS Transaction costs[2]	0.01% p.a. of the NAV of the ETF	**And**, you will be charged or have deducted from your investment $55 in transaction costs.
EQUALS Cost of Fund		If you had an investment of $550,000 at the beginning of the year and you put in an additional $5,000 during that year you will be charged fees and costs of $1,705 (if you are not an Authorised Participant) or $3,005 (if you are an Authorised Participant).[2, 3]

1. The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and is based on an assumption that the $5,000 contribution occurs on the last day of the year (and therefore, the management fees and costs are calculated using an investment balance of $550,000 only). This example also assumes that the value of your investment remains the same during the year. Please note that this is just an example. In practice, actual investment balances will vary daily and actual fees and costs charged are based on the value of the ETF, which also fluctuates daily.
2. All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year (other than any stamp duty component of transaction costs, which is included on the basis of the methodology outlined in the "Additional explanation of fees and costs" section below) and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Estimated costs are rounded to two decimal places as a percentage, and to the nearest full dollar figure in these example tables. Estimated costs stated as 0.00% p.a. may not equal $0. Normal operating expenses (excluding securities lending agent fees) that Vanguard would otherwise be able to recover from the ETF are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price. The securities lending program agent lender retains its fees from the loan fees received from borrowers.
3. Additional fees may apply. A minimum creation unit size of 5000 units applies for cash transactions by Authorised Participants in each ETF and a buy-sell spread may also apply to investments into and withdrawals from the ETF, which is not taken into account in this example. These do not apply to investors buying or selling ETF units on the ASX. Please refer to the 'Additional explanation of fees and costs' in the section below for further details.

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13. Additional explanation of fees and costs

Management fees and costs

Management fees and costs comprise the fees or costs that a unitholder incurs by investing in an ETF. Management fees and costs are made up of Vanguard's management fee as well as indirect costs and estimated expense recoveries that are deducted from the returns of the ETFs. Management fees and costs do not include transaction costs i.e., costs associated with investing the underlying assets, some of which may be recovered through buy-sell spreads.

In calculating taxable income for the ETFs, all available tax deductions are taken into account. This means that the effective after-tax cost to investors of investing in an ETF may be lower than the amounts specified in this PDS, to the extent that management fees and costs are a tax-deductible expense and reduce the taxable income of the ETFs.

Management fees

The management fee component is a fixed amount that Vanguard deducts from the assets of the ETFs and comprises Vanguard's remuneration for managing and overseeing the operations of the ETFs. The management fee is calculated as a percentage of an ETF's net asset value (**NAV**). The fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month. This fee is payable from the assets of the relevant ETF. The management fee includes Goods and Services Tax (**GST**) (and any applicable stamp duty) after taking into account any expected input tax credits.

Expense recoveries

Normal operating expenses

As at the date of this PDS, Vanguard pays any normal operating expenses (excluding securities lending agent fees) that are recoverable from the ETF out of the management fee of the applicable ETF at no additional charge to you.

Ordinary expenses of the ETFs that Vanguard may recover through the management fee include:

- custodian fees (excluding transaction based fees);
- accounting and audit fees;
- Fund administration expenses, such as the cost of preparing and amending the Constitution, the cost of producing the PDS, postage and other Fund administration expenses.

Securities lending, abnormal or extraordinary expenses

The management fee is not used to cover securities lending agent fees, or abnormal or extraordinary expenses (such as litigation, the cost of investor meetings or other costs if incurred in the future). Such abnormal or extraordinary expenses may be recovered from the assets of the ETFs as an additional expense to the management fee where permitted under the relevant Constitution. The securities lending program agent lender retains its fees from the loan fees received from borrowers. The estimated expense recoveries component set out in the fees and costs summary above for each ETF includes securities lending agent fees and abnormal or extraordinary expenses, which is the amount actually incurred by the ETF in the previous financial year, including our reasonable estimate of these costs where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Securities lending, abnormal and extraordinary expenses may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

Indirect costs

Indirect costs are, subject to certain requirements, generally any amounts that we know or reasonably ought to know of, or where this is not the case, reasonably estimate has or will reduce, whether directly or indirectly, the return of the relevant ETF or the amount or value of the income of, or assets attributable to the ETF or an interposed vehicle in which the ETF invests, other than the management fee and expense recoveries.

In particular, indirect costs include:

- the management fees and costs of interposed vehicles (for example, the management fee of an underlying investment trust or exchange traded fund*), and
- certain costs of OTC derivatives.

** Where the ETF invests in an underlying fund which is managed by Vanguard, the management fee charged for the underlying fund is fully rebated back to the ETF and so does not need to be counted in the ETF's indirect costs.*

The indirect costs component set out in the fees and costs summary above for each ETF is calculated on the basis of the actual amount incurred for the previous financial year for that ETF, and our reasonable estimate of such costs where information was not available as at the date of this PDS or where we were unable to determine the exact amount.

It is important to note that indirect costs are reflected in the unit price of an ETF as and when incurred. Indirect costs are not an additional fee paid to Vanguard. Indirect costs may vary over time from year to year, including to the extent that they rely on estimates. These amounts are not an indication or guarantee of the amount that may be charged in the future. Vanguard may update indirect cost information on its website where the change is not materially adverse to you.

Performance fees

We do not currently charge a performance fee for the ETFs. However, we may cause an ETF to invest in an interposed vehicle which charges a performance fee. Such fees, if charged, would reduce the value of the relevant ETF's investment in the interposed vehicle, and in turn the NAV of the ETF. If this happens, we will provide prior notice to you.

Transaction costs

In addition to the management fees and costs, there are transaction costs incurred in managing the ETF's assets such as:

- brokerage
- clearing costs
- settlement costs
- stamp duties
- custody transaction costs, and
- the transaction costs associated with derivatives.

Most of these costs would be incurred by investing directly in the underlying securities though they could also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the ETFs. These costs arise whenever an ETF buys or sells assets to invest applications, fund withdrawals, or to generally manage the ETF in accordance with its investment objectives. Where these costs arise as a result of applications and withdrawals, these costs will generally be covered by the inclusion of a buy-sell spread in the purchase or withdrawal price. (See "Buy-sell spreads" section for further details).

Transaction costs are paid out of the ETF's assets as and when incurred. They are an additional cost of investing to the investor (where they have not already been recovered by the buy-sell spread) and are not a fee paid to us. These costs will depend on the actual turnover of assets.

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There may occasionally be higher trading activity than usual, such as to implement a change of index or asset allocation. In this case, there may be a higher than usual turnover of assets and consequently a temporary increase in transaction costs.

Estimated transaction costs are calculated using the ETF's actual total transaction costs incurred for the previous financial year (other than stamp duty, which is included on the basis of the methodology outlined below), or our reasonable estimate of such costs where information was not available as at the date of the PDS or where we are unable to determine the exact amount.

The stamp duty component of estimated transaction costs reflects one-seventh of the actual total stamp duty costs incurred in each financial year commencing 1 July 2025, up to a maximum of seven financial years.

The estimated transaction costs disclosed in the fees and costs summary in this PDS are shown net of any amount recovered by the buy-sell spread.

The following table indicates the estimated total gross transaction costs of each ETF which reflects the costs of managing the assets of the ETF, including costs generated by investor applications and redemptions. Estimated total gross transaction costs are rounded to two decimal places. As a result, estimated gross transaction costs stated as 0.00% p.a. may not be nil.

ETF	Total gross transaction costs
Vanguard Australian Shares Index ETF	0.00% of the NAV of the ETF
Vanguard Australian Shares High Yield ETF	0.01% of the NAV of the ETF
Vanguard Australian Property Securities Index ETF	0.00% of the NAV of the ETF
Vanguard MSCI Australian Large Companies Index ETF	0.00% of the NAV of the ETF
Vanguard MSCI Australian Small Companies Index ETF	0.01% of the NAV of the ETF

The actual transaction costs may differ and will vary based on a number of factors including the volume of transactions undertaken and market conditions generally. This means that estimated and/or historical costs may not be an accurate indicator of the transaction costs an investor may pay in the future. We may update transaction cost information on our website where the overall change is not materially adverse to you.

Contribution and withdrawal fees for Authorised Participants

A separate fee will be charged to Authorised Participants in relation to the contribution and withdrawal fees associated with a Standard Basket or Custom Basket application/redemption of ETF units. This represents the costs associated with the custodian in respect of the issue or redemption of units in the transaction. Vanguard may vary the contribution and withdrawal fees from time to time and will notify Authorised Participants electronically of any change.

The following table indicates the contribution and withdrawal fees for Standard Basket and Custom Basket transactions for the application or redemption of ETF units. Cash Transactions are not currently facilitated for applications or redemptions of ETF units.

Contribution and withdrawal fees for Authorised Participants[A]	Application	Redemption
Vanguard Australian Shares Index ETF	$1,500	$1,500
Vanguard Australian Shares High Yield ETF	$700	$700
Vanguard Australian Property Securities Index ETF	$200	$200
Vanguard MSCI Australian Large Companies Index ETF	$150	$150
Vanguard MSCI Australian Small Companies Index ETF	$1,300	$1,300

[A] *These are estimates at the time of PDS publication. Vanguard may vary the contribution and withdrawal fees for each ETF from time to time and will notify Authorised Participants electronically of any change.*

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Buy-sell spreads

We may include a buy spread component in the purchase price and a sell spread component in the withdrawal price. The buy-sell spread for each ETF is our reasonable estimate of the transaction costs that the ETF may incur to buy and sell assets when investing applications and funding withdrawals and is not separately charged to the investor. The buy-sell spread is paid to the ETFs to meet these expenses and is not received by Vanguard.

The purpose of the buy-sell spread is to protect investors from the costs generated by the transaction activity of other investors. Investors who invest into an ETF will pay the purchase price calculated by adding the buy spread to the ETF's NAV per unit. Investors who withdraw from an ETF will receive the withdrawal price calculated by deducting the sell spread from the ETF's NAV per unit.

There may be circumstances where the buy spreads or sell spreads will be lower or higher - for example, they may be higher when there are large or prolonged withdrawals from an ETF. If the ETF receives applications and withdrawals on the same day there may be a reduction in either or both the buy and sell spread, as we may not need to buy or sell as many assets as would otherwise be the case. As a result, the ETF's transaction costs may be lower than normal. We will pass on our reasonable estimate of the reduction in transaction costs to the investor in the form of a reduced buy or sell spread. Investors should note that this reduction in the buy-sell spread depends on investors' application and withdrawal activity on a particular day and cannot be predetermined. For further details on how buy-sell spreads are calculated, you can request a copy of Vanguard's policy on unit pricing discretion free of charge.

We will provide details of the buy-sell spread to Authorised Participants electronically.

We may vary the buy-sell spreads from time to time including increasing these without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be provided to Authorised Participants electronically.

Fee changes

The amount of any fees may change without investor consent, except if required by the Corporations Act. We will give you at least 30 days prior notice of any increase in the fees when legally required to do so. All estimates of fees and costs in this section and section 12 are based on information available as at the date of this PDS. You should refer to our website from time to time for any updates which are not materially adverse to investors.

Changes to management fees

We may alter the management fee in accordance with the Constitutions of the Funds and the Corporations Act. The Constitutions governing the Funds generally limit the amount of the management fee component (excluding GST) as follows:

ETF	Management fee limit
Vanguard Australian Shares Index ETF	0.25% per month of the NAV of the ETF
Vanguard Australian Shares High Yield ETF	0.50% per annum of the NAV of the ETF
Vanguard Australian Property Securities Index ETF	0.25% per month of the NAV of the ETF
Vanguard MSCI Australian Large Companies Index ETF	1.50% per annum of the NAV of the ETF
Vanguard MSCI Australian Small Companies Index ETF	1.50% per annum of the NAV of the ETF

Any increase to the management fee above these maximums will generally require unitholder approval.

This limit does not apply to expenses that we incur and cover out of the management fee or to any abnormal or extraordinary expense that is otherwise able to be recovered.

Withdrawal costs for investors other than Authorised Participants

In certain exceptional circumstances investors who are not Authorised Participants may have the right to redeem ETF units with Vanguard (please refer to the section 'Withdrawal rights for investors other than Authorised Participants'). In these circumstances, Vanguard may charge a sell spread to reflect Vanguard's reasonable estimate of the costs that an ETF incurs when processing the withdrawal request. The sell spread is an additional cost to the investor that is paid to the ETFs and is not received by Vanguard.

Investors who exercise their right to withdraw from an ETF in these circumstances will receive the withdrawal price calculated by deducting the sell spread from the relevant ETF's NAV per unit. The sell spread charged (per unit) to investors withdrawing from the relevant ETF, will not be greater than the sell spread charged (per unit) to an Authorised Participant that redeems a creation unit amount of ETF units.

Details of any applicable sell spread will be provided by Vanguard on request from us.

Stockbroker fees for all other investors

Investors (other than Authorised Participants) may incur brokerage fees, commissions and a bid/ask spread (being the difference between the price at which participants are willing to buy and sell ETF units on the ASX) when buying and selling ETF units on the ASX. Please consult a stockbroker for more information in relation to their fees and charges.

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14. Taxation

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the ETFs and is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for investors.

It does not take into account the specific circumstances of each person who may invest in an ETF and should not be used as the basis upon which potential investors make a decision to invest in an ETF.

For example, the taxation information provided in this PDS:

- deals only with the Australian tax consequences of investing in ETF units for Australian tax residents;
- does not consider any non-Australian tax consequences of investing in ETF units;
- does not apply to investors who are non-residents or 'temporary residents' of Australia for Australian income tax purposes, or who change their tax residence while holding their ETF units;
- assumes that the ETF units are held on capital account for Australian income tax purposes;
- assumes that the ETF units are not held on revenue account or as trading stock;
- does not apply to investors who are subject to the taxation of financial arrangements rules; and
- does not apply to investors who are exempt from Australian income tax.

As each investor's circumstances are different, we strongly recommend that all investors obtain independent professional tax advice concerning the tax implications of investing in ETF units.

The taxation information in this PDS has been prepared based on tax laws and administrative interpretations of such laws as at the date of this PDS. Any changes in the tax laws or interpretations of such laws subsequent to this date will not be reflected in the taxation information provided in this PDS.

Attribution Managed Investment Trust (AMIT)

The Australian Government has enacted a regime for the taxation of managed investment trusts, referred to as the AMIT regime. Subject to eligibility, we may elect for a Fund to be classified as an AMIT and be subject to the AMIT regime.

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

We have assessed the eligibility of each of the Funds to elect into the AMIT regime and have disclosed on our website whether or not the AMIT regime will apply to each of the Funds.

Where a Fund is subject to the AMIT regime:

- The amount and components of the taxable income of the Fund which investors will be assessed on should be determined by reference to a statement provided by us to investors after the end of each financial year, known as the AMIT Member Annual Statement (**AMMA statement**). The AMMA statement for a financial year will set out the amount and character of each component of income of the Fund which we have attributed to an investor and which the investor should be assessed on.
- If the sum of the amount distributed and tax offsets attributed to an investor exceeds the sum of taxable income and non-assessable non-exempt income attributed to the investor for a financial year, investors should generally be required to recognise a net decrease in the cost base of their units in that financial year. If the sum of taxable income and non-assessable non-exempt income attributed to an investor exceeds the sum of the amount distributed and tax offsets attributed to the investor for a financial year, then investors should be entitled to recognise a net increase in the cost base of their units in that financial year. Our estimate of these net cost base increase or decrease amounts will also be disclosed to investors through the AMMA statement.
- It is possible for the amount of taxable income that is attributed to an investor to exceed the amount distributed to the investor. This is likely to arise if we determine to accumulate taxable income in accordance with each Fund's Constitution. In this instance, and assuming no tax offsets or non-assessable non-exempt income are attributed to the investor, the investor should be entitled to a net increase in the cost base of their units (as discussed above).
- The Constitutions for the Funds set out the basis upon which we will attribute the taxable income of the Funds to investors. This should be based on the components of income that are reflected in the distributions made to investors during a financial year and, in relation to income that is accumulated, based on a pro rata attribution of this income to investors at the time determined by us for this purpose. The Constitutions of the Funds also allow for attribution to investors who redeem their units in the Funds in certain circumstances (please refer to the 'Redemption Income Entitlements' section below for further information).
- Although we expect that the Funds will be taxed under the AMIT regime, the Constitutions for the Funds also provide for a situation where the Funds are non-AMITs. Taxation information for a non-AMIT Fund is discussed below.

Non-Attribution Managed Investment Trust (non-AMIT)

A Fund that does not qualify or elect to be an AMIT will be subject to the ordinary trust taxation provisions in the tax legislation. Broadly, investors in a Fund that is a non-AMIT will be distributed and made "presently entitled" to all of the income of the Fund each financial year and will be assessed on their proportionate share of the taxable income of the Fund each financial year.

Investors will be provided with a tax statement after the end of each financial year detailing the components, for income tax purposes, of any net taxable income of the relevant Fund that they may be assessed on for the financial year referable to their entitlements to the income of the relevant Fund. This information should assist investors in preparing their tax return for the financial year.

Categories of income from the Funds

Interest income

The Funds may receive income in the form of interest. The interest income earned by the Funds could either be Australian-sourced income or foreign-sourced income.

Franking credits

Where a Fund invests directly or indirectly in Australian equities, the tax components on which an investor is assessed may include franking credits attached to franked dividends derived by the Fund. The franking credits do not form part of an investor's cash receipts. If an investor satisfies all the relevant requirements (including, where applicable, the 45-day holding period and related payments rules) to claim a tax offset for the franking credits, they will need to include the franking credits in their taxable income, together with the tax offset for the franking credits claimed to reduce their income tax liability. Certain

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investors may also be entitled to a refund if the tax offset for the franking credits exceeds their income tax liability.

Foreign income

Income received by a Fund from sources outside Australia may be subject to tax in the country of source. Investors may, subject to satisfying all the relevant requirements, be entitled to claim a foreign income tax offset against their Australian income tax liability in respect of their share of the foreign tax paid by the Fund.

Capital gains

Where an investor is assessed on a net capital gain from a Fund, to the extent the net capital gain includes a discounted capital gain, they may be required to gross up the net capital gain by doubling the discounted capital gain component. The investor may then apply any of their current or prior year capital losses to reduce the grossed-up capital gain.

The availability and application of the capital gains tax (**CGT**) discount to capital gains are subject to the prevailing tax rules. As CGT rules are complex, investors should obtain independent professional tax advice regarding their individual circumstances.

CGT tax election

There are tax rules that allow an eligible managed investment trust to make an irrevocable election to apply the CGT rules as the primary code for the taxation of gains and losses made on its disposal of certain assets. We have made this election where a Fund is eligible.

Non-assessable distributions

A Fund may make distributions of amounts which are non-assessable to investors. Receipt of certain non-assessable amounts may have CGT consequences, including the potential for cost base adjustments, for investors.

Other gains

Gains and losses in relation to the investments of certain Funds, including foreign currency gains arising from the investments of the Funds, may be assessed as income under provisions other than the CGT provisions. The net taxable income of a Fund on which an investor is assessed may include a component of assessable income which is referable to those gains.

Disposal of ETF units

If an investor disposes of ETF units (for example, by selling ETF units on-market), the investor may be liable for tax on any gains realised on that disposal.

For investors who are assessed under the CGT provisions on a disposal of ETF units, a capital gain or loss may be made on that disposal. A capital loss made on a disposal of ETF units in a year may only be offset against capital gains made in that year or in subsequent years. The availability and application of the CGT discount to capital gains are subject to the prevailing tax rules. As CGT rules are complex, investors should obtain independent professional tax advice regarding their individual circumstances.

Withholding tax considerations

Resident investors – Tax File Number (TFN), Australian Business Number (ABN) or exemption status

Collection of a TFN for an investor is authorised and its use and disclosure are strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). An investor may quote a TFN or ABN, or claim an exemption from quoting a TFN or ABN, in relation to their investment in a Fund. If an investor chooses not to quote a TFN or ABN, or claim an exemption from quoting a TFN or ABN, we will generally be required to deduct tax from their distributions at the prescribed rate (which is currently the highest marginal tax rate plus any applicable levies).

Non-resident investors

If an investor is not a resident of Australia for Australian income tax purposes (**non-resident investor**), we may be required to withhold tax from certain distributions made to the non-resident investor.

If a Fund is an AMIT and a non-resident investor is attributed with certain components of taxable income of the Fund without having been distributed those amounts, we are required under or in connection with the AMIT regime to pay tax on that income on the non-resident investor's behalf and are entitled under the Constitution of the Fund to be indemnified by the non-resident investor for the relevant amount of tax that we are required to pay. For example, we may satisfy this indemnity by deducting the relevant amount of tax from any redemption or other amounts payable to the non-resident investor, through a compulsory redemption of units, or by requesting the non-resident investor to pay the relevant amount of tax.

Goods and Services Tax (GST)

The issue and withdrawal of ETF units should not be subject to GST.

Fees and expenses, such as management costs, incurred by a Fund will generally attract GST at the prevailing rate. Given the nature of the activities of the Funds, the Funds may not be entitled to claim input tax credits for the full amount of the GST incurred. However, a reduced input tax credit (**RITC**) should generally be available to be claimed by the Funds for the GST paid on eligible expenses incurred by the Funds.

Any GST and expected RITC relating to fees and expenses are incorporated into the management cost for each Fund.

Applying for and redeeming ETF units

A person will only be eligible to apply for and redeem ETF units in the ordinary course if they are an Authorised Participant.

This section seeks to provide a summary of the key income tax consequences of applying for and redeeming ETF units by Authorised Participants who are assessed on the disposal of ETF units otherwise than under the CGT provisions.

We recommend Authorised Participants obtain independent professional tax advice regarding the tax consequences of applying for and redeeming ETF units, particularly if they are assessed on the disposal of ETF units under the CGT provisions.

Applications

The ETF units which an Authorised Participant acquires on an application for ETF units should be taken to have been acquired at a cost equal to the purchase price of those ETF units.

Redemption Income Entitlements

An Authorised Participant who redeems ETF units will become entitled to receive the withdrawal amount on the redemption of the ETF units.

The redemption of ETF units by an Authorised Participant may result in the Authorised Participant being assessed on some of the taxable income of the Fund, through a distribution of income or an attribution under the AMIT regime. This includes, but is not limited to, income (including capital and other gains) realised by a Fund to fund the redemption of ETF units by the Authorised Participant.

An Authorised Participant who redeems ETF units should also be assessed on a gain arising on the redemption of the ETF units. An Authorised Participant who redeems ETF units may be entitled to a deduction for a loss arising on the redemption of ETF units.

The tax consequences for an Authorised Participant will depend on their particular circumstances.

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We will notify an Authorised Participant of the amount of taxable income of the Funds on which they are assessed as a result of redeeming ETF units after the end of the financial year in which the ETF units are redeemed.

The provisions in the Constitutions for the Funds that provide for an Authorised Participant who redeems ETF units to be assessed on part of the taxable income of the Funds seek to ensure that any taxable income that arises for a Fund as a result of the redemption of ETF units by the Authorised Participant is reasonably allocated to the Authorised Participant, rather than to other investors in the Fund.

If an Authorised Participant is not a resident of Australia for Australian income tax purposes (**non-resident Authorised Participant**), we may be required to withhold tax from certain distributions made to the non-resident Authorised Participant.

If a Fund is an AMIT and a non-resident Authorised Participant is attributed with certain components of taxable income of the Fund without having been distributed those amounts, we are required under or in connection with the AMIT regime to pay tax on that income on the non-resident Authorised Participant's behalf and are entitled to be indemnified by the non-resident Authorised Participant for the relevant amount of tax (or an estimate of it) that we are, or may be, required to pay. For example, we may satisfy this indemnity by deducting the relevant amount of tax (or an estimate of it) from any redemption or other amounts payable to the non-resident Authorised Participant or alternatively require the non-resident Authorised Participant to pay the relevant amount of tax (or an estimate of it).

15. Other information you need to know

Vanguard

Vanguard as the responsible entity

Vanguard, as the responsible entity, is solely responsible for the management and administration of the ETFs. Vanguard holds an Australian Financial Services Licence (AFSL 227263) that authorises it to act as the responsible entity of the Funds and issue the ETF units. The powers and duties of Vanguard are set out in the Constitution of each Fund, the Corporations Act and general trust law.

The duties of Vanguard under the Corporations Act include:

- acting in the best interests of investors and, if there is a conflict between investors' interests and Vanguard's interests, giving priority to investors' interests;
- ensuring that Fund property is clearly identified as Fund property and held separately from property of Vanguard and property of any other fund, and is valued at regular intervals;
- ensuring that payments out of Fund property are made in accordance with the Corporations Act; and
- reporting to ASIC any certain breaches and likely breaches in accordance with its breach reporting obligations.

Vanguard has the power to appoint an agent, or otherwise engage a person (including any related entities or associates), to do anything that it is authorised to do in connection with the Funds.

Retirement of Vanguard

Vanguard may retire as responsible entity of a Fund by calling a meeting of unitholders to enable unitholders to vote on a resolution to choose a company to be the new responsible entity. Vanguard may be removed from office by an extraordinary resolution (i.e. 50% of all units in the relevant Fund entitled to vote, including members who are not present in person or by proxy) passed at a meeting of unitholders, in accordance with the Corporations Act.

Indemnities and limitation of liability of Vanguard

In general, Vanguard may act on the opinion of, advice of and information obtained from advisers and experts. In those cases, Vanguard is not liable for anything done in good faith in reliance on that opinion, advice or information.

Vanguard is indemnified out of each Fund's assets against any expenses, loss, costs, damages and liabilities that may be incurred in properly performing any of its duties or prosecuting or defending any action or suit in connection with the relevant Fund, other than if it arises out of Vanguard's fraud, negligence or breach of trust.

Vanguard is not liable personally to unitholders or other persons for failing to act except in the case of fraud, negligence or breach of trust or duty.

Constitutions

Each Fund is a registered managed investment scheme and each is governed by a Constitution. Under the Constitutions, Vanguard has all the powers of a natural person in respect of the Funds. The Constitutions set out the rights and obligations of the unitholders and Vanguard as responsible entity of the Funds.

This PDS outlines some of the important provisions of the Constitutions.

Vanguard will provide investors with a copy of each Constitution upon request in writing.

Amendments to the Constitutions

Vanguard may amend the Constitution of each Fund from time to time, subject to the provisions of the relevant Constitution and the Corporations Act. Generally, Vanguard can only amend a Constitution where Vanguard reasonably believes that the change will not adversely affect the rights of a unitholder. Otherwise, a Constitution can only be amended if approved at a meeting of unitholders.

Rights of a unitholder

A unit confers a beneficial interest on a unitholder in the assets of a Fund but not an entitlement or interest in any particular part of the Fund or any asset.

The terms and conditions of each Fund's Constitution are binding on each unitholder in the relevant Fund and all persons claiming through them respectively, as if the unitholder or person were a party to the relevant Constitutions.

Meeting of unitholders

Vanguard may convene a meeting of unitholders of a Fund at any time (e.g. to approve certain amendments to the Fund's Constitution or to wind up the Fund(s)). Unitholders also have limited rights to call meetings and have the right to vote at any unitholder meetings.

Except where the relevant Fund's Constitution provides otherwise, or the Corporations Act requires otherwise, a resolution of unitholders must be passed by unitholders who together hold units in the Fund exceeding 50% in value of the total value of all units held by unitholders who vote on the resolution.

A resolution passed at a meeting of investors held in accordance with the relevant Fund's Constitution binds all investors of the Fund.

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Limitation of liability of unitholders

The Funds' Constitutions provide that the liability of each unitholder is generally limited to their investment in the relevant Fund and that a unitholder is not required to indemnify Vanguard or a creditor of Vanguard against any liability of Vanguard in respect of the relevant Fund, except as otherwise set out in the relevant Constitution, including that:

- a person applying for units indemnifies Vanguard against any liability in respect of the applicant paying or failing to pay the application amount; and
- an Authorised Participant who redeems units indemnifies Vanguard against any liability in respect of a withdrawal amount otherwise than as required by the relevant Constitution.

However, no complete assurance can be given in this regard, as the ultimate liability of a unitholder of a Fund has not been considered by the courts.

Reimbursement of expenses

In addition to any other indemnity which Vanguard may have under the Fund Constitutions or at law, Vanguard is indemnified and has the right to be reimbursed out of, or paid from, the assets of each of the Funds for all liabilities, losses, damages, expenses and costs incurred in the course of its office or in the administration or management of a particular Fund (other than if it is incurred by Vanguard's fraud, negligence or breach of trust). Without limitation, this includes amounts payable in properly performing any of its duties or exercising any of its powers.

Related party arrangements

The responsible entity is a wholly owned subsidiary of VGI and part of the 'Vanguard Group' of related parties. For these purposes, a related party includes certain entities and individuals that have a close relationship with the responsible entity, including, but not limited to VGI itself, other subsidiaries of VGI and other funds operated or managed by members of the Vanguard Group.

The responsible entity may from time to time use the services of related parties (including, but not limited to, investment management and administration) and pay commercial rates for these services. The responsible entity may also enter into financial or other transactions with related parties in relation to the assets of the Funds and such arrangements will be based on arm's length commercial terms, or as otherwise permissible under the law.

In the course of managing the Funds, the responsible entity may come across conflicts in relation to its duties to a Fund, related funds and its own interests. The responsible entity has internal policies and procedures in place to manage all conflicts of interest appropriately. These policies and procedures will be reviewed on a regular basis and may change from time to time. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner, in accordance with the relevant law and ASIC requirements.

Termination

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

Material contracts

Vanguard, or VGI, has entered into a number of contracts in relation to the offer of the ETFs as follows:

MSCI Inc.	Index Licence Agreement. The licence allows the use of certain indices in the operation of the ETFs.
FTSE International Limited	Index Licence Agreement. The licence allows the use of certain indices in the operation of the ETFs.
S&P Dow Jones Indices LLC	Index Licence Agreement. The licence allows the use of certain indices in the operation of the ETFs.
JPMorgan Chase Bank N.A. (Sydney branch)	Global Custody Agreement which sets out the services provided by the custodian on an ongoing basis.
Computershare Investor Services Pty Ltd	Registry Services Agreement which sets out the services provided by the share registrar on an ongoing basis.

Custodian

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

JP Morgan in its capacity as custodian for the ETFs, also provides custodial services to Vanguard (as responsible entity) and is responsible for the safekeeping of the assets of the ETFs. The role of the custodian is generally limited to holding the assets of the ETFs and acting on behalf of the responsible entity in accordance with proper instructions (except in limited circumstances where the custodian has discretion to act without instructions).

The custodian has no supervisory obligation to ensure that Vanguard complies with its obligations as responsible entity of the Funds and generally does not make investment decisions in respect of the assets held or management of those assets. Vanguard will be liable to unitholders for acts and omissions of the appointed custodian. The custodian may change from time to time but must satisfy any relevant regulatory requirements.

Registrar

Vanguard has appointed Computershare Investor Services Pty Limited (ABN 48 078 279 277) (**Computershare**) as registrar for the ETFs. The role of the registrar is to keep a record of the investors in the ETF. This includes details such as the quantity of the securities held, tax file numbers (if provided) and details of distribution reinvestment plan participation (where this is offered).

Change of index

Vanguard has the right to change the index or index provider. If an index were to be changed, we will make an announcement to the ASX and take other steps as required by law or the AQUA Rules.

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Market maker

The AQUA Rules contain certain market making requirements. A market maker's role is to satisfy supply and demand for ETF units. They do this by fulfilling two key functions:

- providing liquidity to the market by providing bid and ask prices and acting as buyer and seller of ETF units throughout the day; and
- acting as or through an Authorised Participant relationship and applying for and redeeming ETF units, where necessary, to meet supply and demand.

Market makers seek to provide continuous liquidity to the market. The market maker uses information such as the daily Pricing Basket and previous day NAV price to determine the current NAV price. The market maker then places ETF unit orders in the market either side of the current NAV on both the bid/ask. Investors will trade with a market maker or other buyers and sellers depending on who is offering the best price at the given time. Market maker(s) will generally continuously update their orders throughout the day to reflect changes in the NAV price of the underlying securities and facilitate continuous liquidity.

The market maker(s) that Vanguard has appointed for the ETFs have been selected on the basis of their experience in trading and market making in both Australia and international markets. Vanguard may change the lead market maker or appoint additional market makers.

Compliance

The compliance plan

Vanguard has prepared and lodged a compliance plan for each Fund with ASIC. The compliance plans set out the key criteria that Vanguard will follow to ensure that it is complying with the Corporations Act and each Fund's Constitution. Each year compliance with the compliance plans are independently audited, as required by the Corporations Act, and the auditor's report is lodged with ASIC.

The compliance committee

Vanguard is required to, and has, established a compliance committee with a majority of members that are external to Vanguard. The compliance committee's functions include:

- monitoring Vanguard's compliance with the compliance plans and reporting its findings to Vanguard;
- reporting breaches of the Corporations Act or the Constitutions to Vanguard;
- reporting to ASIC if the committee is of the view that Vanguard has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plans, recommending any changes and reporting these to Vanguard.

Reporting and disclosure obligations

Vanguard, as responsible entity of the Funds will comply with the provisions of the Corporations Act, including the continuous disclosure requirements that apply to an unlisted disclosing entity as if the Funds were unlisted disclosing entities. As disclosing entities, the Funds are subject to regular reporting and disclosure obligations. We will meet our continuous disclosure obligations by disclosing new material information on our website in accordance with ASIC's good practice guidance, and in the case of an ETF, on the ASX MAP.

Copies of documents lodged with ASIC in relation to the Funds may be obtained from, or inspected at, an ASIC office. Vanguard can also provide you with a copy (free of charge) of:

- the Annual Financial Report most recently lodged with ASIC for the Funds;
- any half-yearly fund financial reports lodged with ASIC in relation to the Funds after the lodgement of the Annual Financial Report and before the date of the PDS;
- any continuous disclosure notices given for the Funds after the lodgement of the Annual Financial Report and before the date of the PDS; and
- a transaction statement detailing holdings and transactions will be provided to investors at least once a year.

If you have a complaint

If you have a complaint about any Vanguard products or services, please contact us so that we can work together towards a resolution.

You can lodge a complaint via the following methods:

Call	1300 655 101 (8am to 6pm (AET), Monday to Friday)
Secure message	via Vanguard Online
Email	clientservices@vanguard.com.au
Write	Vanguard Investments Australia GPO Box 1837 Melbourne VIC 3001

Our Complaints Handling Policy is available on our website. You can also request a paper copy free of charge at any time.

We aim to resolve your complaint as quickly as possible. Generally, we will provide you with a written response within 30 days after receiving your complaint.

Complex complaints may have a different maximum timeframe for responding. We will notify you if a different timeframe applies to your complaint.

If you are not satisfied with the progress of your complaint or the outcome, you can lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA provides a fair and independent financial services complaint resolution service that is free to consumers.

It is important to note that time limits apply to some types of complaints lodged with AFCA. The AFCA complaint resolution service may only be available to retail clients.

Australian Financial Complaints Authority

Call	1800 931 678 (free call)
Email	info@afca.org.au
Website	afca.org.au
Write	Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

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Privacy

We are committed to respecting the privacy of your personal information. We collect your personal information:

- in the application process;
- in the course of managing your investment;
- in order to provide this product to you; and
- to establish and manage your investments.

We may obtain information about you or any beneficial owners from third parties when this is necessary to comply with relevant laws. We may be required by law to disclose personal information to relevant regulators (whether in or outside of Australia). We may provide an investor's personal information to our service providers for certain related purposes such as account administration and the production and mailing of statements. We may also use an investor's personal information and disclose it to our service providers (including companies conducting market research) to improve customer service and to keep investors informed of Vanguard's products and services, or to the investor's financial adviser or broker to provide financial advice and ongoing service. By investing with Vanguard, you consent to personal information being used for the purposes of providing information on services offered by Vanguard and being disclosed to market research companies for the purpose of analysing Vanguard's investment base. You can withdraw consent at any time by contacting us through the below channels.

If you do not provide your personal information as requested, we may not be able to process or accept your application. To obtain a copy of the Vanguard Privacy Policy, or to access or request to correct your personal information, visit our website, or contact Client Services on 1300 655 101, by email to clientservices@vanguard.com.au, or by writing to Client Services, Vanguard Investments Australia, Level 13, 130 Lonsdale Street, Melbourne VIC 3000.

US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

FATCA is a US law which impacts investors worldwide. FATCA attempts to minimise US income tax avoidance by US persons investing in foreign assets, including through their investments in foreign financial institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service (**IRS**).

Similarly, the Organisation for Economic Cooperation and Development (**OECD**) has established a reporting regime (**CRS**), which requires participating jurisdictions, including Australia, to obtain information from their financial institutions and exchange it with other participating jurisdictions.

Under FATCA, the Australian Government has entered into an Inter-Governmental Agreement (**IGA**) with the Government of the United States of America for reciprocal exchange of taxpayer information. Under the IGA, financial institutions operating in Australia report information to the Australian Taxation Office (**ATO**) rather than the IRS. The ATO may then pass the information on to the IRS.

Vanguard or its authorised agents, such as the registrar (Computershare), may request such information or documents from you as is necessary to verify your identity and FATCA and CRS status, including self-certification forms. Vanguard or its authorised agents may disclose this information to the IRS or ATO (who may share this information with other tax authorities) as necessary to comply with FATCA, the IGA, CRS or applicable implementing law or regulation, which may include information about:

- investors identified as US citizens or tax residents (information about corporations and trusts with US substantial owners or controlling persons will also be reported);
- other investors identified as non-residents for CRS purposes (including non-resident controlling persons of certain entities);
- investors who do not confirm their FATCA or CRS status; or
- certain financial institutions that do not meet their FATCA obligations (non-participating foreign financial institutions).

Vanguard is not able to provide tax advice and strongly encourages investors to seek the advice of an experienced tax adviser to determine what actions investors may need to take in order to comply with FATCA and CRS.

Obligations to Combat Financial Crime: Anti-Money Laundering and Counter-Terrorism Financing laws, and Sanctions laws and, Anti-Bribery and Corruption laws

Vanguard has obligations under the provisions of Australia's Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) to establish your identity and where appropriate, the identity of any other person or persons associated with your account. The AML/CTF Act also imposes a record-keeping obligation for Vanguard to retain certain customer identification information.

We also have obligations under Australian and international sanctions' laws, anti-bribery and anti-corruption laws, and any other relevant laws. To meet our customer identification requirements, we are required to collect information about you (and any related parties), information about your interactions with us, such as activity on your account and the source of funds or source of wealth used in connection with the investment. We may also collect public information about you, including from social media platforms, for the purposes of carrying out procedures to verify your identity, prior to providing our services to you. From time to time, Vanguard may also request additional information from you or require you to update the information we hold on you to ensure it is not only current, but accurate.

By applying for an investment account with Vanguard, you agree to each of the following:

- You are not applying under an assumed or false name (i.e., aliases or pseudonyms).
- Any money you contribute or invest is not derived from proceeds of crime or illegal activities and will not be used in relation to any criminal, terrorism and terrorism financing or other illegal activities.
- You will not wittingly initiate, engage in, or effect a transaction that may be in breach of AML/CTF law, anti-bribery or anti-corruption laws or sanctions (or other law or sanctions of any other country in which Vanguard operates).

Vanguard may also have a legal obligation requiring the disclosure of information collected about you to a regulatory, law enforcement or revenue protection agency, and importantly, we may be prohibited from telling you about this lawful request should it arise.

To comply with relevant laws and legislation, there may be circumstances where it is necessary for Vanguard to delay, block, freeze, or refuse to process a transaction, or to terminate any arrangement with you where we reasonably believe that the transaction may breach or cause us to commit or participate in an offence under any laws of the Commonwealth, States or Territories, including Australian or international sanctions' laws. Vanguard will not incur any liability for any loss suffered if we are required to undertake any of these actions.

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Consent to statements in this PDS

Each of MSCI, FTSE and S&P Dow Jones has given its written consent to all statements by it, or statements based on statements by it, in the form and context in which they are included in this PDS, and has not withdrawn its consent as at the date of this PDS.

Consents to lodge PDS

The directors of Vanguard have consented to the lodgement of this PDS with ASIC.

ASIC relief

Equal treatment relief

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 grants relief under section 601QA(1) of the Corporations Act from the equal treatment requirement in section 601FC(1) to the extent necessary to allow the responsible entity to permit only unitholders who are Authorised Participants to withdraw from the ETFs, except in limited circumstances.

Ongoing disclosure of material changes and significant events

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 also grants relief under section 1020F of the Corporations Act from the ongoing disclosure requirements in section 1017B on condition that the responsible entity complies with the continuous disclosure requirements in the Corporations Act as if the ETFs were unlisted disclosing entities.

Relevant interest relief

ASIC has granted conditional individual relief under section 655A(1) and 673(1) of the Corporations Act with respect to relevant interest provisions in section 609, so that where an Authorised Participant makes a redemption request, this does not give rise to an Authorised Participant holding a 'relevant interest' in the securities held by an ETF for the purposes of the takeovers provisions of Chapter 6, or a 'substantial holding' for the purposes of substantial holding provisions in Chapter 6C of the Corporations Act.

Periodic statements

ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14 grants relief to ETF issuers under section 1020F(1)(c) of the Corporations Act so that where a unitholder has acquired or disposed of ETF units during the period and the ETF issuer does not know the price at which the ETF units were transferred, periodic statements and exit statements do not need to include the amounts paid in relation to the transfer or the return on investment during the reporting period (provided that the ETF issuer is not able to calculate the return on investment and the periodic statement explains why this information was not included and describes how it can be obtained or calculated).

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16. Glossary

AET means Australian Eastern Time.

AQUA Rules means the trading and other rules that apply to products that are quoted on the ASX AQUA market as set out in Schedule 10A of the ASX Operating Rules.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Authorised Participant means a person who has executed an 'Authorised Participant' agreement with Vanguard.

Cash Transaction means an exchange of cash for ETF units or vice versa by an Authorised Participant.

CHESS means the Clearing House Electronic Subregister System.

Corporations Act means the *Corporations Act 2001* (Cth).

Custom Basket means an application or redemption basket negotiated between the ETF issuer and Authorised Participant in exchange for ETF units combining both securities and cash.

ETF/s means any one or more of the Vanguard Australian Shares Index ETF, the Vanguard Australian Shares High Yield ETF, the Vanguard Australian Property Securities Index ETF, the Vanguard MSCI Australian Large Companies Index ETF and the Vanguard MSCI Australian Small Companies Index ETF offered in this PDS (as the context requires).

Fund/s means any one or more of the Vanguard Australian Shares Index Fund ARSN 090 939 718, the Vanguard Australian Shares High Yield Fund ARSN 091 751 807, the Vanguard Australian Property Securities Index Fund ARSN 090 939 549, the Vanguard Australian Large Companies Index Fund ARSN 147 936 105 and the Vanguard Australian Small Companies Index Fund ARSN 147 936 570 (as the context requires).

Pricing Basket means a basket of securities that is created to track the movements of an ETF. It is intended to assist with intra-day pricing and is not for transactional purposes.

Secondary Market is the trading venue for buyers and sellers of existing ETF units. This is usually performed on a securities exchange (for example the ASX) or 'over the counter'.

Standard Basket means the portfolio of securities plus any cash balancing payment as determined by Vanguard, which is provided as consideration for ETF units in an application or redemption (which may be the same as the Pricing Basket).

Vanguard means Vanguard Investments Australia Ltd (ABN 72 072 881 086 AFSL 227263).

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FTSE Disclaimer

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