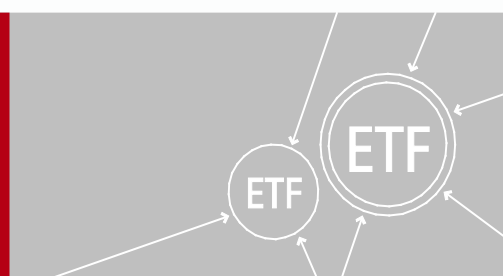


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Annual Report for the Vanguard® Exchange Traded Funds

11 September 2020



Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard MSCI Index International Shares (Hedged) ETF	VGAD	Annual Report
Vanguard Ethically Conscious International Shares Index ETF	VESG	Annual Report
Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF	VMIN	Annual Report

Vanguard has prepared an Annual Report for the year ended 30 June 2020, for the Vanguard Wholesale International Equities Funds (Hedged) and ETFs. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

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

Further Information

If you have any queries on Vanguard ETFs, please visit vanguard.com.au

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Vanguard Investments Australia Ltd, Level 13, 130 Lonsdale Street, Melbourne VIC 3000 vanguard.com.au 1300 655 888

Vanguard Wholesale International Equities Funds (Hedged) and ETFs

2019
to
2020

Responsible Entity

Vanguard Investments Australia Ltd
ABN 72 072 881 086
AFSL 227263

Level 13
130 Lonsdale Street
Melbourne VIC 3000
Australia

Telephone: (03) 8888 3888
Facsimile: 1300 765 712

vanguard.com.au



Vanguard Wholesale International Equities Funds (Hedged) and ETFs

Vanguard Global Infrastructure Index Fund (Hedged)		ARSN 128 385 197	ABN 92 392 829 821
Vanguard MSCI Index International Shares (Hedged) ETF	ASX: VGAD	ARSN 165 786 989	ABN 92 314 430 239
Vanguard International Property Securities Index Fund (Hedged)		ARSN 115 001 360	ABN 52 511 318 838
Vanguard International Small Companies Index Fund (Hedged)		ARSN 127 015 436	ABN 13 064 564 422
Vanguard Ethically Conscious International Shares Index Fund	ASX: VESG	ARSN 626 133 275	ABN 89 276 633 202
Vanguard Global Minimum Volatility Fund	ASX: VMIN	ARSN 165 787 708	ABN 80 259 391 198
Vanguard International Shares Index Fund (Hedged)		ARSN 093 254 909	ABN 97 123 270 094
Vanguard International Shares Select Exclusions Index Fund		ARSN 613 045 739	ABN 45 215 187 041

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About Vanguard

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

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

With more than AUD \$8.8 trillion in assets under management as of 30 June 2020, including more than AUD \$1.8 trillion in ETFs, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

Our unique structure – putting investors' interests first

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

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

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

Our investment expertise

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

Low-cost investing

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

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

Directors' report

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Hedged) and ETFs (the "Funds") for the year ended 30 June 2020 was Vanguard Investments Australia Ltd (the "Responsible Entity").

The directors of Vanguard Investments Australia Ltd present their report together with the financial statements for the year ended 30 June 2020.

Principal activities

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds (with the exception of Vanguard Global Minimum Volatility Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. The Vanguard Global Minimum Volatility Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

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

The Funds did not have any employees during the year.

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

Directors

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

J M Norris

C Lui

J Platt

F Kolimago

Review and results of operations

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

Results

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	20,763	75	-	-	-	88	-	834
Distribution (cents per unit)	4.8373	0.0267	-	-	-	0.0063	-	1.0220
Distributions - ETF Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	-	-
Distribution (cents per unit)	-	-	-	-	-	-	-	-

Directors' report (continued)

Review and results of operations (continued)

Results (continued)

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	41,180	25,350	(2,492)	2,105	90,489	309,195	34,499	138,419
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	-	-	338	-	-	-	-	-
Distribution (cents per unit)	-	-	2.8836	-	-	-	-	-
Distributions - ETF Class								
Distribution paid and payable (\$'000)	1,513	250	298	-	-	-	-	-
Distribution (cents per unit)	92.5124	60.2932	120.5063	-	-	-	-	-
Distributions - AUD Class								
Distribution paid and payable (\$'000)	-	-	-	-	107,537	30,240	-	-
Distribution (cents per unit)	-	-	-	-	1.7468	0.5513	-	-
Distributions - NZD Class								
Distribution paid and payable (\$'000)	-	-	-	-	6,283	7,354	-	-
Distribution (cents per unit)	-	-	-	-	9.1292	7.0266	-	-
Distributions - AUD Unhedged Class								
Distribution paid and payable (\$'000)	4,248	670	-	-	-	-	24,910	12,586
Distribution (cents per unit)	1.3828	1.1507	-	-	-	-	5.9793	3.9044
Distributions - AUD Hedged Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	-	1,478
Distribution (cents per unit)	-	-	-	-	-	-	-	1.6205
Distributions - NZD Hedged Class								
Distribution paid and payable (\$'000)	-	7,120	-	-	-	-	103	17,392
Distribution (cents per unit)	-	2.2703	-	-	-	-	0.0159	2.7304

Performance

The tables below detail the performance of the Funds as represented by the total return, net of fees, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total return is shown for the past five years to 30 June 2020 and assumes that all distributions were re-invested during that period. These are calculated in accordance with FSC Standard 6.0 Product Performance - calculation and presentation of returns. The directors assess the performance of the Funds by comparing each Fund's total return with the corresponding Index (the "Benchmark") gross of fees.

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard Global Infrastructure Index Fund (Hedged)					
Capital growth	(9.78)	15.16	(0.57)	0.14	6.32
Distribution of income	4.66	0.04	6.42	10.61	2.62
Total return	(5.12)	15.20	5.85	10.75	8.94
Benchmark					
FTSE Developed Core Infrastructure (with net dividends reinvested) hedged into AUD	(5.17)	15.29	5.71	10.69	9.34
	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard MSCI Index International Shares (Hedged) ETF					
Capital growth	1.40	6.40	9.22	15.53	(2.82)
Distribution of income	-	-	2.24	4.95	1.36
Total return	1.40	6.40	11.46	20.48	(1.46)
Benchmark					
MSCI World ex-Australia (with net dividends reinvested), hedged into Australian dollars Index	1.30	6.22	11.48	20.54	(1.42)

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Property Securities Index Fund (Hedged)					
Capital growth	(16.46)	7.80	(0.57)	(19.85)	10.93
Distribution of income	-	0.01	6.20	19.71	7.24
Total return	(16.46)	7.81	5.63	(0.14)	18.17
Benchmark					
FTSE EPRA/NAREIT Developed ex-Australia Rental index (with net dividends reinvested) hedged into AUD	(16.60)	7.63	5.47	(0.12)	18.27

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Small Companies Index Fund (Hedged)					
Capital growth	(7.78)	(4.08)	7.86	12.21	(36.33)
Distribution of income	-	1.00	7.26	11.54	32.51
Total return	(7.78)	(3.08)	15.12	23.75	(3.82)
Benchmark					
MSCI World ex-Australia Small Cap (with net dividends reinvested) hedged into AUD	(7.52)	(2.99)	15.35	23.88	(3.52)

	2020 %	*2019 %	2018 %	2017 %	2016 %
Vanguard Ethically Conscious International Shares Index Fund - ETF Class					
Capital growth	7.97	3.00	-	-	-
Distribution of income	1.83	1.27	-	-	-
Total return	9.80	4.27	-	-	-
Benchmark					
FTSE Developed ex Australia Choice Index (with net dividends reinvested) in AUD**	9.83	4.16	-	-	-

*Benchmark performance data is since inception

**Effective 22 June 2020 FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons in AUD was renamed to FTSE Developed ex Australia Choice Index (with net dividends reinvested) in AUD

	2020 %	*2019 %	2018 %	2017 %	2016 %
Vanguard Ethically Conscious International Shares Index Fund - AUD Unhedged Class					
Capital growth	8.51	10.20	-	-	-
Distribution of income	1.29	1.21	-	-	-
Total return	9.80	11.41	-	-	-
Benchmark					
FTSE Developed ex Australia Choice Index (with net dividends reinvested) in AUD**	9.83	11.33	-	-	-

*Benchmark performance data is since inception

**Effective 22 June 2020 FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons in AUD was renamed to FTSE Developed ex Australia Choice Index (with net dividends reinvested) in AUD

	2020 %	*2019 %	2018 %	2017 %	2016 %
Vanguard Ethically Conscious International Shares Index Fund - NZD Hedged Class					
Capital growth	6.53	(1.27)	-	-	-
Distribution of income	-	2.62	-	-	-
Total return	6.53	1.35	-	-	-
Benchmark					
FTSE Developed ex Australia Choice Index (with net dividends reinvested) hedged into NZD**	6.70	1.28	-	-	-

*Benchmark performance data is since inception

**Effective 22 June 2020 the FTSE Developed ex Australia ex Non-renewable Energy, Vice Products and Weapons Index (with net dividends reinvested) hedged into New Zealand dollars (NZD) was renamed the FTSE Developed ex Australia Choice Index (with net dividends reinvested) hedged into New Zealand dollars (NZD)

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard Global Minimum Volatility Fund					
Capital growth	(6.14)	8.52	6.06	7.28	6.01
Distribution of income	2.10	-	3.07	4.88	2.30
Total return	(4.04)	8.52	9.13	12.16	8.31
Benchmark					
<i>FTSE Global All Cap Index (AUD hedged)</i>	0.07	4.61	11.45	20.53	(2.13)

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Shares Index Fund (Hedged) - AUD Class					
Capital growth	(0.62)	5.73	4.57	0.15	(9.91)
Distribution of income	2.04	0.70	6.92	20.40	8.64
Total return	1.42	6.43	11.49	20.55	(1.27)
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested) hedged into Australian dollars Index</i>	1.30	6.22	11.48	20.53	(1.43)

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Shares Index Fund (Hedged) - NZD Class					
Capital growth	(5.14)	1.16	7.91	5.43	(2.75)
Distribution of income	6.83	5.27	3.97	15.39	1.57
Total return	1.69	6.43	11.88	20.82	(1.18)
Benchmark					
<i>MSCI World ex-Australia (with net dividends reinvested) hedged into New Zealand dollars Index</i>	1.91	6.30	11.99	20.99	1.14

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class					
Capital growth	1.05	8.70	10.95	5.31	-
Distribution of income	4.82	3.52	4.83	1.38	-
Total return	5.87	12.22	15.78	6.69	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) in Australian dollars Index</i>	5.81	12.10	15.73	6.63	-

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class					
Capital growth	2.01	4.64	-	-	-
Distribution of income	-	1.87	-	-	-
Total return	2.01	6.51	-	-	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into Australian dollars Index</i>	1.92	6.36	-	-	-

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2020 %	2019 %	2018 %	2017 %	2016 %
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class					
Capital growth	2.57	3.99	9.49	8.30	-
Distribution of income	0.02	2.51	2.76	-	-
Total return	2.59	6.50	12.25	8.30	-
Benchmark					
<i>MSCI World ex Australia, ex Tobacco, ex Controversial Weapons, ex Nuclear Weapons (with net dividends reinvested) hedged into New Zealand dollars Index</i>	2.53	6.45	12.33	8.37	-

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

Unit redemption prices

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

	At 30 June		Period high		Period low	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Vanguard Global Infrastructure Index Fund (Hedged)	0.9853	1.0387	1.1770	1.0553	0.7486	0.8608
Vanguard MSCI Index International Shares (Hedged) ETF	69.9989	69.0307	78.3588	69.3379	50.3561	56.5571
Vanguard International Property Securities Index Fund (Hedged)	0.7048	0.8438	0.9581	0.8672	0.5208	0.7205
Vanguard International Small Companies Index Fund (Hedged)	0.8995	0.9859	1.0745	1.0565	0.6178	0.8174
Vanguard Ethically Conscious International Shares Index Fund - ETF Class	55.9538	51.8738	61.9247	52.7228	48.1213	42.4708
Vanguard Ethically Conscious International Shares Index Fund - AUD Unhedged Class	1.1971	1.1078	1.3245	1.1258	1.0291	0.9068
Vanguard Ethically Conscious International Shares Index Fund - NZD Hedged Class*	1.0502	0.9860	1.1403	1.0065	0.7615	0.8323
Vanguard Global Minimum Volatility Fund - Wholesale Class	1.2435	1.3072	1.4441	1.3133	1.0002	1.1182
Vanguard Global Minimum Volatility Fund - ETF Class	53.5802	56.2229	62.1904	56.4829	43.0914	48.0789
Vanguard International Shares Index Fund (Hedged) - AUD Class	0.8682	0.8613	0.9725	0.8651	0.6249	0.7063
Vanguard International Shares Index Fund (Hedged) - NZD Class*	1.3721	1.4474	1.5317	1.5161	0.9926	1.2503
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class	1.3010	1.2859	1.4932	1.3067	1.1424	1.0613
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class	1.0682	1.0468	1.1892	1.0585	0.7676	0.8736
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class*	1.2643	1.2319	1.4007	1.2535	0.9127	1.0363

*All prices are expressed in New Zealand dollars

Significant changes in state of affairs

On 1 July 2019, Vanguard Global Minimum Volatility Fund made the election into the AMIT tax regime.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the Funds and thus performance of the Funds.

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

Directors' report (continued)

Likely developments and expected results of operations

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

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

Indemnity and insurance of officers and auditors

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

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

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in note 14 of the financial statements.

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 of the financial statements.

Interests in the Funds

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

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 10.

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

DocuSigned by:

 DC91B2E3E62D42C...

F Kolimago
 Managing Director
 Melbourne
 9 September 2020



Auditor's Independence Declaration

- Vanguard Global Infrastructure Index Fund (Hedged)
- Vanguard MSCI Index International Shares (Hedged) ETF
- Vanguard International Property Securities Index Fund (Hedged)
- Vanguard International Small Companies Index Fund (Hedged)
- Vanguard Ethically Conscious International Shares Index Fund
- Vanguard Global Minimum Volatility Fund
- Vanguard International Shares Index Fund (Hedged)
- Vanguard International Shares Select Exclusions Index Fund

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

As lead auditor for the audit of Vanguard Wholesale International Equities Funds (Hedged) and ETFs for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in blue ink that reads 'Britt Hawkins'.

Britt Hawkins
Partner
PricewaterhouseCoopers

Melbourne
9 September 2020

Statements of comprehensive income

For the year ended 30 June 2020

		Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income									
Interest income		4	18	-	129	7	19	-	31
Distribution income		36,307	9,716	39,815	13,931	68,641	60,827	3,165	4,169
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(57,833)	22,987	(4,308)	23,977	(330,987)	29,443	(9,017)	(8,197)
Other operating income		-	-	418	162	-	-	2	-
Total net investment income/(loss)		(21,522)	32,721	35,925	38,199	(262,339)	90,289	(5,850)	(3,997)
Expenses									
Responsible Entity's fees	14	119	65	267	173	443	362	22	34
Custody fees		20	14	35	35	26	22	23	29
Transaction costs		-	-	-	-	-	-	-	-
Other operating expenses		-	-	47	-	1	1	9	-
Total operating expenses		139	79	349	208	470	385	54	63
Operating profit/(loss)		(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)
Finance costs attributable to unitholders									
Distributions to unitholders	10	-	-	-	-	-	-	-	-
(Increase)/decrease in net assets attributable to unitholders	9	-	-	-	-	-	-	-	-
Profit/(loss) for the year		(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)

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

Statements of comprehensive income (continued)

For the year ended 30 June 2020

		Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2020 \$'000	^30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
	Notes								
Investment income									
Interest income		15	28	-	5	-	1,140	40	124
Dividend income		13,055	5,442	565	567	-	-	27,823	25,171
Distribution income		622	241	168	269	294,941	227,752	1,164	1,183
Net gains/(losses) on financial instruments at fair value through profit or loss	5	29,583	20,484	(3,100)	1,391	(202,255)	81,938	9,855	114,846
Other operating income		96	24	18	12	-	18	273	247
Total net investment income/(loss)		43,371	26,219	(2,349)	2,244	92,686	310,848	39,155	141,571
Expenses									
Responsible Entity's fees	14	1,738	662	88	88	1,782	1,576	3,645	2,950
Custody fees		110	45	19	25	63	76	112	121
Transaction costs		59	26	10	7	-	-	63	35
Other operating expenses		284	136	26	19	352	1	836	46
Total operating expenses		2,191	869	143	139	2,197	1,653	4,656	3,152
Operating profit/(loss)		41,180	25,350	(2,492)	2,105	90,489	309,195	34,499	138,419
Finance costs attributable to unitholders									
Distributions to unitholders	10	(5,761)	(8,040)	(636)	-	(113,820)	(37,594)	(25,013)	(31,456)
(Increase)/decrease in net assets attributable to unitholders	9	(35,419)	(17,310)	3,128	(2,105)	23,331	(271,601)	(9,486)	(106,963)
Profit/(loss) for the year		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	-	-

[^]Covers the period from 28 May 2018 to 30 June 2019.

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

Balance sheets

As at 30 June 2020

		Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
	Notes								
Assets									
Cash and cash equivalents	11	989	837	9,785	2,658	704	7,890	1,246	400
Margin accounts		131	35	1,971	2,051	162	468	81	122
Receivables		417	725	6	4	470	398	52	14
Accrued income		17,134	4,641	28,312	5,945	13,344	11,582	937	2,359
Due from brokers - receivable for securities sold		-	-	-	-	-	-	-	394
Financial assets at fair value through profit or loss	6	408,449	298,017	1,055,938	614,428	1,361,977	1,331,717	56,194	78,032
Total assets		427,120	304,255	1,096,012	625,086	1,376,657	1,352,055	58,510	81,321
Liabilities									
Margin accounts		-	-	30,484	-	-	-	570	-
Distribution payable	10	20,763	-	-	-	-	-	-	834
Payables		109	7	92	101	311	747	2	37
Due to brokers - payables for securities purchased		3,617	2,223	32,400	-	22,488	7,981	1,100	-
Financial liabilities at fair value through profit or loss	7	147	967	6,393	4,620	891	2,899	438	767
Total liabilities		24,636	3,197	69,369	4,721	23,690	11,627	2,110	1,638
Net assets attributable to unitholders (equity)	9	402,484	301,058	1,026,643	620,365	1,352,967	1,340,428	56,400	79,683

		Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	11	11,419	6,841	353	490	38,919	33,608	22,689	14,032
Margin accounts		1,226	599	54	42	5,863	7,943	1,111	2,147
Receivables		1,641	8,303	39	171	1,724	1,601	1,593	6,244
Accrued income		727	517	58	117	183,637	107,763	1,151	1,189
Due from brokers - receivable for securities sold		5	1	-	-	-	-	2	-
Financial assets at fair value through profit or loss	6	1,030,301	522,131	27,242	28,170	5,433,013	4,753,736	1,589,164	1,395,757
Total assets		1,045,319	538,392	27,746	28,990	5,663,156	4,904,651	1,615,710	1,419,369
Liabilities									
Margin accounts		12,838	4,020	300	-	163,981	3,807	33,194	8,968
Distribution payable	10	1,585	867	378	-	107,537	25,645	8,062	5,789
Payables		209	101	7	7	59,280	1,977	482	467
Due to brokers - payables for securities purchased		4,952	14,500	-	378	37,976	-	14,611	20,078
Financial liabilities at fair value through profit or loss	7	3,568	6,246	28	130	34,445	66,059	7,258	15,324
Total liabilities		23,152	25,734	713	515	403,219	97,488	63,607	50,626
Net assets attributable to unitholders (liability)	9	1,022,167	512,658	27,033	28,475	5,259,937	4,807,163	1,552,103	1,368,743

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

Statements of changes in equity

For the year ended 30 June 2020

Notes	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Total equity at the beginning of the financial year	301,058	136,071	620,365	407,156	1,340,428	1,199,429	79,683	109,449
Comprehensive income for the year								
Profit/(loss) for the year	(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)
Transactions with unitholders								
Applications	268,470	193,809	397,480	174,645	533,184	556,926	35,145	23,297
Redemptions	(124,620)	(64,129)	(26,778)	-	(257,836)	(518,369)	(52,625)	(48,654)
Units issued upon reinvestment of distributions	-	2,740	-	573	-	12,626	101	485
Distributions paid and payable	10 (20,763)	(75)	-	-	-	(88)	-	(834)
Total transactions with unitholders	123,087	132,345	370,702	175,218	275,348	51,095	(17,379)	(25,706)
Total equity at the end of the financial year	402,484	301,058	1,026,643	620,365	1,352,967	1,340,428	56,400	79,683

Notes	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020 \$'000	[^] 30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Total equity at the beginning of the financial year	-	-	-	-	-	-	-	-
Comprehensive income for the year								
Profit/(loss) for the year	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Transactions with unitholders								
Applications	-	-	-	-	-	-	-	-
Redemptions	-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions	-	-	-	-	-	-	-	-
Distributions paid and payable	10 -	-	-	-	-	-	-	-
Total transactions with unitholders	-	-	-	-	-	-	-	-
Total equity at the end of the financial year	-	-	-	-	-	-	-	-

[^]Covers the period from 28 May 2018 to 30 June 2019.

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

Statements of cash flows

For the year ended 30 June 2020

		Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
		30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		94,070	57,916	367,005	81,451	221,023	411,696	54,137	35,776
Purchases of financial instruments at fair value through profit or loss		(237,850)	(188,939)	(730,227)	(253,683)	(502,894)	(520,331)	(35,019)	(8,371)
Interest received		4	18	56	70	10	17	11	22
Other income received		-	-	418	222	-	-	2	1
Responsible Entity's fees paid		(115)	(61)	(257)	(170)	(441)	(358)	(25)	(34)
Operating expenses paid		(21)	(15)	(103)	(35)	(27)	(379)	(32)	(36)
Net cash inflow/(outflow) from operating activities	12(a)	(143,912)	(131,081)	(363,108)	(172,145)	(282,329)	(109,355)	19,074	27,358
Cash flows from financing activities									
Proceeds from applications by unitholders		268,779	193,086	397,480	174,645	533,112	624,892	35,107	23,309
Payments for redemptions by unitholders		(124,522)	(64,251)	(26,778)	-	(258,274)	(518,003)	(52,657)	(48,621)
Distributions paid from operating activities		-	(2,018)	-	(3,812)	-	(7,230)	(733)	(3,201)
Net cash inflow/(outflow) from financing activities		144,257	126,817	370,702	170,833	274,838	99,659	(18,283)	(28,513)
Net increase/(decrease) in cash and cash equivalents		345	(4,264)	7,594	(1,312)	(7,491)	(9,696)	791	(1,155)
Cash and cash equivalents at the beginning of the year		837	5,051	2,658	3,811	7,890	17,401	400	1,489
Effects of foreign currency exchange rate changes on cash and cash equivalents		(193)	50	(467)	159	305	185	55	66
Cash and cash equivalents at the end of the year	11	989	837	9,785	2,658	704	7,890	1,246	400
Non-cash financing activities	12(b)	-	2,740	-	573	-	12,626	101	485

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

Statements of cash flows (continued)

For the year ended 30 June 2020

		Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
		30 Jun 2020	^30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		99,012	21,485	26,475	15,771	864,131	437,017	302,834	393,739
Purchases of financial instruments at fair value through profit or loss		(580,772)	(499,472)	(28,919)	(18,714)	(1,355,845)	(443,062)	(471,590)	(432,834)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(59)	(26)	(10)	(7)	-	-	(63)	(35)
Interest received		13	28	2	4	432	689	10	158
Dividends received		12,630	4,770	585	516	-	-	28,390	24,368
Distributions received		588	195	216	252	-	-	1,161	1,169
Other income received		97	24	18	12	-	23	273	230
Responsible Entity's fees paid		(1,653)	(565)	(88)	(88)	(1,767)	(1,595)	(3,598)	(2,936)
Operating expenses paid		(418)	(205)	(46)	(44)	(417)	(1,044)	(960)	(1,374)
Net cash inflow/(outflow) from operating activities	12(a)	(470,562)	(473,766)	(1,767)	(2,298)	(493,466)	(7,972)	(143,543)	(17,515)
Cash flows from financing activities									
Proceeds from applications by unitholders		696,477	481,609	16,276	13,648	1,546,661	947,088	582,865	533,409
Payments for redemptions by unitholders		(219,317)	(613)	(14,572)	(11,050)	(1,031,772)	(930,490)	(422,196)	(510,474)
Distributions paid from operating activities		(1,157)	(904)	(157)	-	(13,545)	(56,952)	(5,436)	(8,070)
Net cash inflow/(outflow) from financing activities		476,003	480,092	1,547	2,598	501,344	(40,354)	155,233	14,865
Net increase/(decrease) in cash and cash equivalents		5,441	6,326	(220)	300	7,878	(48,326)	11,690	(2,650)
Cash and cash equivalents at the beginning of the year		6,841	-	490	168	33,608	80,945	14,032	14,763
Effects of foreign currency exchange rate changes on cash and cash equivalents		(863)	515	83	22	(2,567)	989	(3,033)	1,919
Cash and cash equivalents at the end of the year	11	11,419	6,841	353	490	38,919	33,608	22,689	14,032
Non-cash financing activities	12(b)	3,886	6,269	101	-	18,383	85,722	17,304	32,220

[^]Covers the period from 28 May 2018 to 30 June 2019.

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

Notes to the financial statements

For the year ended 30 June 2020

1 General information

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

- Vanguard Global Infrastructure Index Fund (Hedged) 26 October 2007
- Vanguard MSCI Index International Shares (Hedged) ETF 12 September 2013
- Vanguard International Property Securities Index Fund (Hedged) 30 June 2005
- Vanguard International Small Companies Index Fund (Hedged) 9 August 2007
- Vanguard Ethically Conscious International Shares Index Fund 23 April 2018
- Vanguard Global Minimum Volatility Fund 12 September 2013
- Vanguard International Shares Index Fund (Hedged) 8 June 2000
- Vanguard International Shares Select Exclusions Index Fund 10 June 2016

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

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds (with the exception of Vanguard Global Minimum Volatility Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. The Vanguard Global Minimum Volatility Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

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

Implementation of AMIT regime

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Funds to elect into the AMIT tax regime, the Funds' Constitution have been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions to unitholders where the Fund meets the criteria set out under AASB 132. On 1 July 2019, the Vanguard Global Minimum Volatility Fund made the election into the AMIT tax regime.

For the Vanguard Global Minimum Volatility Fund, the net assets attributable to unitholders remain disclosed as a liability as the multi-class structure means it has not met the strict criteria for recognition as equity, despite its election into the AMIT tax regime also.

The financial statements were authorised for issue by the directors on 9 September 2020. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

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

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations effective after 1 July 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(b) Financial instruments

(i) Classification

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

Equity securities and derivatives are measured at fair value through profit or loss.

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

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

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

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

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

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

(d) Cash and cash equivalents

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

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

(e) Margin accounts

Deposits held with brokers for margin, represent restricted margin deposits for derivative financial instruments.

The reported balance for collateral margins represents the level of restricted cash required to be settled as at close of business at balance sheet date.

(f) Investment income

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

2 Summary of significant accounting policies (continued)

(g) Expenses

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

(h) Income tax

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

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

(i) Distributions

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

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

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

(k) Functional and presentation currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(l) Due from/to brokers

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

2 Summary of significant accounting policies (continued)

(m) Receivables and accrued income

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

(n) Payables

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

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

(o) Applications and redemptions

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

(p) Goods and Services Tax (GST)

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

(q) Comparative revisions

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

(r) Use of estimates

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

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

2 Summary of significant accounting policies (continued)

(s) Investment entity exception

AASB 10 *Consolidated Financial Statements* for investment entities includes an exception to the consolidation rules for those entities qualifying as "investment entities". Subsidiaries of investment entities will be accounted for at fair value through profit or loss, in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

A parent entity will need to make an assessment of whether it meets the definition of an investment entity. An investment entity is defined as an entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

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

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

The Funds also meet all of the typical characteristics of an investment entity, including:

- (a) holding more than one investment;
- (b) having more than one investor;
- (c) having investors that are not related parties of the entity; and
- (d) having ownership interests in the form of equity or similar interests.

As the Funds measure all of their controlled entities at fair value through profit or loss, they only present separate financial statements.

(t) Securities lending arrangements

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

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

Details of all open transactions at year end are disclosed in note 16.

(u) Rounding of amounts

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management

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

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

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

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the Funds and thus performance of the Funds.

(a) Market risk

(i) Price risk

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

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative assets	10	4	441	225	19	15	18	7
Unlisted unit trusts	392,640	295,364	973,737	591,354	1,316,988	1,319,784	53,988	76,905
Derivative liabilities	(13)	-	(87)	(5)	-	(82)	(2)	-
Net total	392,637	295,368	974,091	591,574	1,317,007	1,319,717	54,004	76,912

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative assets	80	121	-	4	1,329	1,692	106	363
Equity securities	975,353	486,786	26,570	23,149	-	-	1,491,091	1,299,496
Listed unit trusts	24,680	13,461	310	4,750	-	-	36,028	33,846
Unlisted unit trusts	-	-	-	-	5,027,958	4,552,611	-	-
Derivative liabilities	(25)	(1)	(2)	-	(233)	(31)	(20)	(9)
Net total	1,000,088	500,367	26,878	27,903	5,029,054	4,554,272	1,527,205	1,333,696

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

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

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

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

In accordance with the Funds' policy, the Investment Manager monitors the Funds' foreign exchange exposure on a daily basis.

The tables below summarise the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

Vanguard Global Infrastructure Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	322	202	117	240	-	36	-	13	22	19
Margin accounts	37	26	17	34	-	35	-	-	-	-
Financial assets at fair value through profit or loss	309	8	6	17	12	4	-	3	-	11
Total assets	668	236	140	291	12	75	-	16	22	30
Liabilities										
Financial liabilities at fair value through profit or loss	14	-	2	12	5	-	-	112	2	774
Total liabilities	14	-	2	12	5	-	-	112	2	774
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	319,270	59,686	23,870	31,678	27,772	191,773	8,955	16,812	23,743	51,686
- Sell foreign currency	(607,837)	(114,061)	(46,191)	(59,298)	(54,351)	(385,292)	(17,585)	(33,626)	(45,399)	(102,846)
Net exposure including foreign currency forward contracts	(287,913)	(54,139)	(22,183)	(27,341)	(26,572)	(193,444)	(8,630)	(16,910)	(21,636)	(51,904)

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard MSCI Index International Shares (Hedged) ETF										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	5,280	711	575	1,005	1,145	1,591	244	323	239	254
Margin accounts	1,065	129	476	181	120	746	70	205	60	48
Accrued income	-	-	-	-	-	1	-	-	-	-
Financial assets at fair value through profit or loss	1,171	33	131	-	167	192	6	71	-	99
Total assets	7,516	873	1,182	1,186	1,432	2,530	320	599	299	401
Liabilities										
Margin accounts	-	-	-	-	24	-	-	-	-	-
Financial liabilities at fair value through profit or loss	725	198	2,015	91	1,690	-	3	440	91	979
Total liabilities	725	198	2,015	91	1,714	-	3	440	91	979
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	1,655,773	45,897	100,591	83,302	99,524	416,818	37,101	72,730	54,736	67,416
- Sell foreign currency	(2,347,546)	(93,846)	(205,809)	(168,703)	(203,207)	(806,333)	(72,247)	(137,532)	(104,296)	(129,878)
Net exposure including foreign currency forward contracts	(684,982)	(47,274)	(106,051)	(84,306)	(103,965)	(386,985)	(34,829)	(64,643)	(49,352)	(63,040)

Vanguard International Property Securities Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	302	18	81	37	169	5,827	224	193	208	86
Margin accounts	32	20	77	11	22	352	12	63	29	12
Accrued income	-	-	-	-	-	1	-	-	-	-
Financial assets at fair value through profit or loss	21	1	1	7	2	7	1	28	3	13
Total assets	355	39	159	55	193	6,187	237	284	240	111
Liabilities										
Financial liabilities at fair value through profit or loss	131	4	16	25	28	81	4	1,058	20	1,491
Total liabilities	131	4	16	25	28	81	4	1,058	20	1,491
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	812,863	65,498	141,171	137,807	167,459	846,404	71,845	160,735	129,575	157,269
- Sell foreign currency	(1,655,701)	(136,364)	(284,053)	(275,174)	(344,760)	(1,692,637)	(137,937)	(293,613)	(260,397)	(323,082)
Net exposure including foreign currency forward contracts	(842,614)	(70,831)	(142,739)	(137,337)	(177,136)	(840,127)	(65,859)	(133,652)	(130,602)	(167,193)

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Small Companies Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	104	9	201	93	5	13	9	26	11	5
Margin accounts	38	-	35	8	-	28	-	4	-	-
Financial assets at fair value through profit or loss	94	-	2	-	12	7	-	6	-	15
Total assets	236	9	238	101	17	48	9	36	11	20
Liabilities										
Financial liabilities at fair value through profit or loss	60	17	97	2	141	-	-	54	20	157
Total liabilities	60	17	97	2	141	-	-	54	20	157
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	101,734	3,740	4,973	7,107	7,072	56,403	6,927	8,678	11,402	10,756
- Sell foreign currency	(135,141)	(7,668)	(9,739)	(14,475)	(14,376)	(103,633)	(12,653)	(15,802)	(20,903)	(20,201)
Net exposure including foreign currency forward contracts	(33,231)	(3,936)	(4,625)	(7,269)	(7,428)	(47,182)	(5,717)	(7,142)	(9,510)	(9,582)

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Ethically Conscious International Shares Index Fund										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	6,498	325	640	1,194	1,627	3,588	214	601	579	9,145
Margin accounts	735	55	248	110	78	368	23	114	62	32
Receivables	34	6	197	-	204	11	1	108	-	72
Accrued income	424	79	29	78	117	216	136	31	51	79
Due to brokers - receivable for securities sold	1	-	4	-	-	-	-	1	-	-
Financial assets at fair value through profit or loss	674,681	36,965	86,036	90,381	142,238	321,804	22,635	47,116	45,096	85,480
Total assets	682,373	37,430	87,154	91,763	144,264	325,987	23,009	47,971	45,788	94,808
Liabilities										
Margin accounts	-	-	-	-	12,838	-	-	-	-	4,020
Due to brokers - payable for securities purchased	3,398	177	447	356	574	9,331	553	1,413	1,328	1,875
Financial liabilities at fair value through profit or loss	878	68	683	21	1,918	55	144	705	499	4,843
Total liabilities	4,276	245	1,130	377	15,330	9,386	697	2,118	1,827	10,738
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	779,352	18,617	38,544	42,585	998,350	653,101	16,911	36,507	35,983	794,852
- Sell foreign currency	(1,094,884)	(36,729)	(78,949)	(86,653)	(580,011)	(883,360)	(33,413)	(69,405)	(68,326)	(482,865)
Net exposure including foreign currency forward contracts	362,565	19,073	45,619	47,318	547,273	86,342	5,810	12,955	11,618	396,057

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Global Minimum Volatility Fund										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	Canadian Dollar A\$'000	Swiss Franc A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	120	4	1	10	81	47	2	3	46	21
Margin accounts	45	-	-	-	9	-	-	32	-	-
Receivables	8	-	18	-	9	15	-	9	-	24
Accrued income	35	5	-	12	5	74	20	-	4	11
Financial assets at fair value through profit or loss	17,465	796	874	3,295	3,530	16,647	2,698	1,376	1,105	4,848
Total assets	17,673	805	893	3,317	3,634	16,783	2,720	1,420	1,155	4,904
Liabilities										
Due to brokers - payable for securities purchased	-	-	-	-	-	140	37	21	107	55
Financial liabilities at fair value through profit or loss	4	3	5	-	15	-	8	7	7	87
Total liabilities	4	3	5	-	15	140	45	28	114	142
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	11,344	-	-	72	-	13,750	121	196	-	128
- Sell foreign currency	(26,805)	(810)	(842)	(3,386)	(5,446)	(29,043)	(2,788)	(1,587)	(1,166)	(7,016)
Net exposure including foreign currency forward contracts	2,208	(8)	46	3	(1,827)	1,350	8	1	(125)	(2,126)

Vanguard International Shares Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	11,457	778	2,759	699	2,062	12,270	1,405	3,146	1,515	3,857
Margin accounts	3,142	433	1,397	519	372	5,276	503	1,447	449	268
Accrued income	-	-	1	(1)	(2)	5	-	1	-	-
Financial assets at fair value through profit or loss	6,341	108	574	21	1,703	2,167	1,101	2,371	576	5,453
Total assets	20,940	1,319	4,731	1,238	4,135	19,718	3,009	6,965	2,540	9,578
Liabilities										
Margin accounts	-	-	-	-	861	-	-	-	-	1,407
Financial liabilities at fair value through profit or loss	4,142	1,067	10,797	234	9,106	769	2,493	11,458	6,147	15,065
Total liabilities	4,142	1,067	10,797	234	9,967	769	2,493	11,458	6,147	16,472
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	8,918,767	249,557	547,996	456,759	581,986	8,477,100	289,329	566,682	428,456	722,480
- Sell foreign currency	(12,499,069)	(496,882)	(1,094,055)	(896,583)	(1,097,078)	(11,511,420)	(563,744)	(1,074,082)	(813,985)	(1,115,006)
Net exposure including foreign currency forward contracts	(3,563,504)	(247,073)	(552,125)	(438,820)	(520,924)	(3,015,371)	(273,899)	(511,893)	(389,136)	(399,420)

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard International Shares Select Exclusions Index Fund										
	30 Jun 2020					30 Jun 2019				
	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000	US Dollar A\$'000	British Pound A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Assets										
Cash and cash equivalents	2,683	730	1,472	814	8,843	7,393	525	914	879	1,536
Margin accounts	407	159	332	73	140	1,210	160	398	105	74
Receivables	16	4	896	-	418	99	4	1,119	-	994
Accrued income	616	105	160	126	144	552	343	50	137	88
Due to brokers - receivable for securities sold	2	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	1,024,264	65,962	157,842	125,846	206,944	855,593	76,056	147,899	111,635	202,204
Total assets	1,027,988	66,960	160,702	126,859	216,489	864,847	77,088	150,380	112,756	204,896
Liabilities										
Margin accounts	-	-	-	-	26,704	-	-	-	-	8,968
Payables	-	-	-	-	114	-	-	-	-	24
Due to brokers - payable for securities purchased	10,159	628	1,292	891	1,641	13,557	1,253	1,979	1,287	2,002
Financial liabilities at fair value through profit or loss	1,057	197	2,117	17	3,475	139	465	2,178	1,190	10,550
Total liabilities	11,216	825	3,409	908	31,934	13,696	1,718	4,157	2,477	21,544
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	1,728,003	46,642	108,197	90,102	1,704,958	1,639,658	54,614	110,300	84,580	1,705,295
- Sell foreign currency	(2,367,003)	(89,881)	(208,144)	(170,981)	(1,044,438)	(2,214,821)	(105,524)	(208,113)	(160,274)	(1,036,986)
Net exposure including foreign currency forward contracts	377,772	22,896	57,346	45,072	845,075	275,988	24,460	48,410	34,585	851,661

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

(iii) Cash flow and fair value interest rate risk

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

The Funds have insufficient direct exposure to interest rate risk to be material. The Vanguard Global Infrastructure Index Fund (Hedged), Vanguard MSCI Index International Shares (Hedged) ETF, Vanguard International Property Securities Index Fund (Hedged), Vanguard International Small Companies Index Fund (Hedged) and Vanguard International Shares Index Fund (Hedged) are indirectly exposed to interest rate risk via their investment strategy of investing in the Vanguard Wholesale Funds. All financial liabilities are non-interest bearing.

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

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

Price risk movement represents the range of historical index returns from the average return minus one standard deviation to the average return plus one standard deviation. For a normal distribution approximately two-thirds of the outcomes are expected to fall within plus or minus one standard deviation of the mean. Outcomes are expected to occur outside these ranges, approximately one-third of the time.

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard Global Infrastructure Index Fund (Hedged)												
Price risk		Foreign exchange risk										
		US Dollar		Canadian Dollar		Euro		Japanese Yen		Other currencies		
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low		Low	High	Low	High	Low	High	Low	High	Low	High	High
-3%		+4%	-3%	+19%	0%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(11,779)	15,706	(20)	124	-	30	(4)	22	(9)	52	-	1
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low		Low	High	Low	High	Low	High	Low	High	Low	High	High
-2%		+3%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(5,907)	8,861	(4)	1	-	-	5	(1)	(2)	-	45	(7)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard MSCI Index International Shares (Hedged) ETF												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low		Low	High	Low	High	Low	High	Low	High	Low	High	High
-3%		+5%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(29,223)	48,705	(194)	1,230	(13)	84	27	(142)	(35)	213	13	(55)
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low		Low	High	Low	High	Low	High	Low	High	Low	High	High
-3%		+4%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(17,748)	23,663	(140)	47	(16)	13	(7)	1	(23)	4	35	(6)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Property Securities Index Fund (Hedged)												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low		Low	High	Low	High	Low	High	Low	High	Low	High	High
-5%		+6%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(65,850)	79,020	(6)	39	(1)	4	(4)	23	(1)	5	(7)	28
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low		Low	High	Low	High	Low	High	Low	High	Low	High	High
-5%		+6%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(65,986)	79,183	(371)	124	(12)	9	39	(8)	(24)	4	83	(14)

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard International Small Companies Index Fund (Hedged)													
Price risk				Foreign exchange risk									
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-5%	+6%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(2,700)	3,240	(5)	30	-	(1)	(4)	23	(3)	18	5	(21)	
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-4%	+6%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(3,076)	4,614	(2)	1	-	-	1	-	1	-	8	(1)	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Ethically Conscious International Shares Index Fund													
Price risk				Foreign exchange risk									
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-2%	+4%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(20,002)	40,003	(121)	768	(4)	29	(1)	3	(31)	185	(649)	2,758	
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-2%	+4%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(10,007)	20,014	309	(103)	13	(10)	56	(11)	120	(22)	(1,203)	201	
Impact on operating profit/(loss) and net assets attributable to unitholders													
Vanguard Global Minimum Volatility Fund													
Price risk				Foreign exchange risk									
		US Dollar		Canadian Dollar		Swiss Franc		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-3%	+5%	-3%	+19%	0%	+13%	-6%	+17%	-3%	+18%	-4%	+17%
30 Jun 2020	(806)	1,344	(7)	45	-	1	-	2	(1)	4	(4)	15	
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies			
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High		
		-3%	+4%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(836)	1,116	-	-	1	(1)	(1)	-	7	(1)	5	(1)	

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Index Fund (Hedged)												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-4%	+5%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(201,162)	251,453	(475)	3,007	(4)	23	187	(997)	(37)	223	238	(1,011)
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-4%	+5%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(182,170)	227,714	(1,050)	350	(25)	20	235	(47)	398	(72)	413	(69)

Impact on operating profit/(loss) and net assets attributable to unitholders												
Vanguard International Shares Select Exclusions Index Fund												
Price risk		Foreign exchange risk										
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	+5%	-3%	+19%	-2%	+13%	-3%	+16%	-3%	+18%	-4%	+17%
30 Jun 2020	(45,817)	76,360	177	(1,119)	(4)	23	14	(76)	(4)	24	(1,182)	5,024
		US Dollar		British Pound		Euro		Japanese Yen		Other currencies		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	+4%	-6%	+2%	-5%	+4%	-5%	+1%	-11%	+2%	-6%	+1%
30 Jun 2019	(26,674)	53,348	259	(86)	24	(19)	64	(13)	137	(25)	(2,400)	400

(c) Credit risk

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

The Funds are exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. None of these assets are impaired nor past due but not impaired.

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

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. There were no significant concentrations of credit risk to counterparties at 30 June 2020 or 30 June 2019.

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(c) Credit risk (continued)

(i) Derivatives

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

The Funds also restrict their exposure to credit losses on derivative instruments they hold by entering into master netting arrangements with counterparts with whom they undertake a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities unless transactions are settled on a net basis. However, the credit risk associated with favourable contracts is reduced by master netting arrangements to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Funds' overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangements. As at 30 June 2020, the Funds do not have outstanding netting arrangements that materially impact offsetting of financial assets and liabilities on the balance sheet. As a result, the financial assets and liabilities are presented on a gross basis.

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

(ii) Settlement of securities transactions

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

(iii) Cash and cash equivalents

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

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

(iv) Other

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

The clearing and depository operations for the Funds' security transactions are mainly concentrated with one counterparty, namely JPM Chase Bank, N.A., Sydney Branch. JPM Chase Bank, N.A., Sydney Branch, is a member of a major securities exchange, and at 30 June 2020 had a credit rating of A-1 (30 June 2019: A-1). At 30 June 2020, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by JPM Chase Bank, N.A., Sydney Branch.

(d) Liquidity risk

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(d) Liquidity risk (continued)

The tables below analyse the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the tables are contractual undiscounted cash flows.

Vanguard Global Infrastructure Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	126	21	-	-	147	963	4	-	-	967
Distribution payable	20,763	-	-	-	20,763	-	-	-	-	-
Payables	109	-	-	-	109	7	-	-	-	7
Due to brokers - payables for securities purchased	3,617	-	-	-	3,617	2,223	-	-	-	2,223
Total liabilities	24,615	21	-	-	24,636	3,193	4	-	-	3,197

Vanguard MSCI Index International Shares (Hedged) ETF										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	6,091	302	-	-	6,393	4,579	41	-	-	4,620
Margin accounts	30,484	-	-	-	30,484	-	-	-	-	-
Payables	92	-	-	-	92	101	-	-	-	101
Due to brokers - payables for securities purchased	32,400	-	-	-	32,400	-	-	-	-	-
Total liabilities	69,067	302	-	-	69,369	4,680	41	-	-	4,721

Vanguard International Property Securities Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	851	40	-	-	891	2,773	126	-	-	2,899
Payables	311	-	-	-	311	747	-	-	-	747
Due to brokers - payables for securities purchased	22,488	-	-	-	22,488	7,981	-	-	-	7,981
Total liabilities	23,650	40	-	-	23,690	11,501	126	-	-	11,627

Vanguard International Small Companies Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	422	16	-	-	438	760	7	-	-	767
Margin accounts	570	-	-	-	570	-	-	-	-	-
Distribution payable	-	-	-	-	-	834	-	-	-	834
Payables	2	-	-	-	2	37	-	-	-	37
Due to brokers - payables for securities purchased	1,100	-	-	-	1,100	-	-	-	-	-
Total liabilities	2,094	16	-	-	2,110	1,631	7	-	-	1,638

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard Ethically Conscious International Shares Index Fund										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	3,457	111	-	-	3,568	5,962	284	-	-	6,246
Margin accounts	12,838	-	-	-	12,838	4,020	-	-	-	4,020
Distribution payable	1,585	-	-	-	1,585	867	-	-	-	867
Payables	209	-	-	-	209	101	-	-	-	101
Due to brokers - payables for securities purchased	4,952	-	-	-	4,952	14,500	-	-	-	14,500
Net assets attributable to unitholders	1,022,167	-	-	-	1,022,167	512,658	-	-	-	512,658
Total liabilities	1,045,208	111	-	-	1,045,319	538,108	284	-	-	538,392

Vanguard Global Minimum Volatility Fund										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	26	2	-	-	28	130	-	-	-	130
Margin accounts	300	-	-	-	300	-	-	-	-	-
Distribution payable	378	-	-	-	378	-	-	-	-	-
Payables	7	-	-	-	7	7	-	-	-	7
Due to brokers - payables for securities purchased	-	-	-	-	-	378	-	-	-	378
Net assets attributable to unitholders	27,033	-	-	-	27,033	28,475	-	-	-	28,475
Total liabilities	27,744	2	-	-	27,746	28,990	-	-	-	28,990

Vanguard International Shares Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	33,058	1,387	-	-	34,445	61,988	4,071	-	-	66,059
Margin accounts	163,981	-	-	-	163,981	3,807	-	-	-	3,807
Distribution payable	107,537	-	-	-	107,537	25,645	-	-	-	25,645
Payables	59,280	-	-	-	59,280	1,977	-	-	-	1,977
Due to brokers - payables for securities purchased	37,976	-	-	-	37,976	-	-	-	-	-
Net assets attributable to unitholders	5,259,937	-	-	-	5,259,937	4,807,163	-	-	-	4,807,163
Total liabilities	5,661,769	1,387	-	-	5,663,156	4,900,580	4,071	-	-	4,904,651

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard International Shares Select Exclusions Index Fund										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	7,028	230	-	-	7,258	14,564	760	-	-	15,324
Margin accounts	33,194	-	-	-	33,194	8,968	-	-	-	8,968
Distribution payable	8,062	-	-	-	8,062	5,789	-	-	-	5,789
Payables	482	-	-	-	482	467	-	-	-	467
Due to brokers - payables for securities purchased	14,611	-	-	-	14,611	20,078	-	-	-	20,078
Net assets attributable to unitholders	1,552,103	-	-	-	1,552,103	1,368,743	-	-	-	1,368,743
Total liabilities	1,615,480	230	-	-	1,615,710	1,418,609	760	-	-	1,419,369

Maturities of gross-settled derivative financial instruments

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

Vanguard Global Infrastructure Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	926,421	417,821	-	-	1,344,242	585,775	291,878	-	-	877,653
(Outflows)	(910,759)	(417,818)	-	-	(1,328,577)	(584,095)	(291,876)	-	-	(875,971)
Net	15,662	3	-	-	15,665	1,680	2	-	-	1,682

Vanguard MSCI Index International Shares (Hedged) ETF										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	2,639,362	1,349,636	-	-	3,988,998	1,273,527	622,597	-	-	1,896,124
(Outflows)	(2,607,981)	(1,347,862)	-	-	(3,955,843)	(1,272,762)	(619,929)	-	-	(1,892,691)
Net	31,381	1,774	-	-	33,155	765	2,668	-	-	3,433

Vanguard International Property Securities Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	2,674,657	1,345,519	-	-	4,020,176	2,713,622	1,359,664	-	-	4,073,286
(Outflows)	(2,630,547)	(1,345,550)	-	-	(3,976,097)	(2,704,507)	(1,359,678)	-	-	(4,064,185)
Net	44,110	(31)	-	-	44,079	9,115	(14)	-	-	9,101

Notes to the financial statements (continued)

For the year ended 30 June 2020

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

Vanguard International Small Companies Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	156,488	79,752	-	-	236,240	187,376	79,466	-	-	266,842
(Outflows)	(154,849)	(79,639)	-	-	(234,488)	(187,373)	(79,116)	-	-	(266,489)
Net	1,639	113	-	-	1,752	3	350	-	-	353

Vanguard Ethically Conscious International Shares Index Fund										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	1,235,617	638,257	-	-	1,873,874	1,045,695	508,965	-	-	1,554,660
(Outflows)	(1,222,605)	(637,087)	-	-	(1,859,692)	(1,041,215)	(506,507)	-	-	(1,547,722)
Net	13,012	1,170	-	-	14,182	4,480	2,458	-	-	6,938

Vanguard Global Minimum Volatility Fund										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	38,106	-	-	-	38,106	42,771	-	-	-	42,771
(Outflows)	(37,770)	-	-	-	(37,770)	(42,634)	-	-	-	(42,634)
Net	336	-	-	-	336	137	-	-	-	137

Vanguard International Shares Index Fund (Hedged)										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	14,310,391	7,044,287	-	-	21,354,678	13,446,526	6,531,147	-	-	19,977,673
(Outflows)	(14,141,058)	(7,034,806)	-	-	(21,175,864)	(13,440,683)	(6,507,897)	-	-	(19,948,580)
Net	169,333	9,481	-	-	178,814	5,843	23,250	-	-	29,093

Vanguard International Shares Select Exclusions Index Fund										
	30 Jun 2020					30 Jun 2019				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000	Total \$'000
Derivative										
Inflows	2,794,617	1,298,288	-	-	4,092,905	2,616,677	1,265,961	-	-	3,882,638
(Outflows)	(2,760,771)	(1,296,128)	-	-	(4,056,899)	(2,606,662)	(1,259,977)	-	-	(3,866,639)
Net	33,846	2,160	-	-	36,006	10,015	5,984	-	-	15,999

Notes to the financial statements (continued)

For the year ended 30 June 2020

4 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

4 Fair value measurement (continued)

Recognised fair value measurements

The following tables present the Funds' financial assets and liabilities (by asset class) measured at fair value according to the fair value hierarchy at 30 June 2020 and 30 June 2019.

Vanguard Global Infrastructure Index Fund (Hedged)								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	10	15,799	-	15,809	4	2,649	-	2,653
Unlisted unit trusts	-	392,640	-	392,640	-	295,364	-	295,364
Total	10	408,439	-	408,449	4	298,013	-	298,017
Financial liabilities at fair value through profit or loss								
Derivatives	13	134	-	147	-	967	-	967
Total	13	134	-	147	-	967	-	967

Vanguard MSCI Index International Shares (Hedged) ETF								
	30 Jun 2020				30 Jun 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Derivatives	441	39,461	-	39,902	225	8,048	-	8,273
Unlisted unit trusts	-	973,737	-	973,737	-	591,354	-	591,354
Fixed interest securities*	-	42,299	-	42,299	-	14,801	-	14,801
Total	441	1,055,497	-	1,055,938	225	614,203	-	614,428
Financial liabilities at fair value through profit or loss								
Derivatives	87	6,306	-	6,393	5	4,615	-	4,620
Total	87	6,306	-	6,393	5	4,615	-	4,620

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Vanguard International Property Securities Index Fund (Hedged)								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	19	44,970	-	44,989	15	11,918	-	11,933
Unlisted unit trusts	-	1,316,988	-	1,316,988	-	1,319,784	-	1,319,784
Total	19	1,361,958	-	1,361,977	15	1,331,702	-	1,331,717
Financial liabilities at fair value through profit or loss								
Derivatives	-	891	-	891	82	2,817	-	2,899
Total	-	891	-	891	82	2,817	-	2,899

Notes to the financial statements (continued)

For the year ended 30 June 2020

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

Vanguard International Small Companies Index Fund (Hedged)								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	18	2,188	-	2,206	7	1,120	-	1,127
Unlisted unit trusts	-	53,988	-	53,988	-	76,905	-	76,905
Total	18	56,176	-	56,194	7	78,025	-	78,032
Financial liabilities at fair value through profit or loss								
Derivatives	2	436	-	438	-	767	-	767
Total	2	436	-	438	-	767	-	767

Vanguard Ethically Conscious International Shares Index Fund								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	80	17,725	-	17,805	121	13,183	-	13,304
Equity securities	975,234	119	-	975,353	486,786	-	-	486,786
Listed unit trusts	24,680	-	-	24,680	13,461	-	-	13,461
Fixed interest securities*	-	12,463	-	12,463	-	8,580	-	8,580
Total	999,994	30,307	-	1,030,301	500,368	21,763	-	522,131
Financial liabilities at fair value through profit or loss								
Derivatives	25	3,543	-	3,568	1	6,245	-	6,246
Total	25	3,543	-	3,568	1	6,245	-	6,246

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Vanguard Global Minimum Volatility Fund								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	-	362	-	362	4	267	-	271
Equity securities	26,570	-	-	26,570	23,149	-	-	23,149
Listed unit trusts	310	-	-	310	4,750	-	-	4,750
Total	26,880	362	-	27,242	27,903	267	-	28,170
Financial liabilities at fair value through profit or loss								
Derivatives	2	26	-	28	-	130	-	130
Total	2	26	-	28	-	130	-	130

Notes to the financial statements (continued)

For the year ended 30 June 2020

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

Vanguard International Shares Index Fund (Hedged)								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	1,329	213,026	-	214,355	1,692	95,122	-	96,814
Unlisted unit trusts	-	5,027,958	-	5,027,958	-	4,552,611	-	4,552,611
Fixed interest securities*	-	190,700	-	190,700	-	104,311	-	104,311
Total	1,329	5,431,684	-	5,433,013	1,692	4,752,044	-	4,753,736
Financial liabilities at fair value through profit or loss								
Derivatives	233	34,212	-	34,445	31	66,028	-	66,059
Total	233	34,212	-	34,445	31	66,028	-	66,059

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Vanguard International Shares Select Exclusions Index Fund								
	30 Jun 2020				30 Jun 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
Derivatives	106	43,244	-	43,350	363	31,313	-	31,676
Equity securities	1,491,091	-	-	1,491,091	1,299,496	-	-	1,299,496
Listed unit trusts	36,028	-	-	36,028	33,846	-	-	33,846
Fixed interest securities*	-	18,695	-	18,695	-	30,739	-	30,739
Total	1,527,225	61,939	-	1,589,164	1,333,705	62,052	-	1,395,757
Financial liabilities at fair value through profit or loss								
Derivatives	20	7,238	-	7,258	9	15,315	-	15,324
Total	20	7,238	-	7,258	9	15,315	-	15,324

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Transfers between levels

The following tables present the transfers between levels during the year ended 30 June 2020 and 30 June 2019:

Vanguard Ethically Conscious International Shares Index Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30 Jun 2020			
Transfers between level 1 and 2:			
Equity securities	(119)	119	-
30 Jun 2019			
Transfers between level 1 and 2:			
Equity securities	-	-	-

The equity securities transferred into level 2 relates to the frequency of quoted price valuations. There were no transfers into and out of level 3 during the reporting period.

Notes to the financial statements (continued)

For the year ended 30 June 2020

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	(45,968)	34,922	17,161	55,200	(241,522)	107,343	(9,486)	(5,922)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	(11,865)	(11,935)	(21,469)	(31,223)	(89,465)	(77,900)	469	(2,275)
Total net gains/(losses) on financial instruments at fair value through profit or loss	(57,833)	22,987	(4,308)	23,977	(330,987)	29,443	(9,017)	(8,197)

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	56,361	28,313	(2,867)	2,040	(122,520)	251,932	36,513	103,196
Net realised gain/(loss) on financial instruments at fair value through profit or loss	(26,778)	(7,829)	(233)	(649)	(79,735)	(169,994)	(26,658)	11,650
Total net gains/(losses) on financial instruments at fair value through profit or loss	29,583	20,484	(3,100)	1,391	(202,255)	81,938	9,855	114,846

Notes to the financial statements (continued)

For the year ended 30 June 2020

6 Financial assets at fair value through profit or loss

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial assets at fair value through profit or loss								
Derivatives	15,809	2,653	39,902	8,273	44,989	11,933	2,206	1,127
Fixed interest securities	-	-	42,299	14,801	-	-	-	-
Unlisted unit trusts	392,640	295,364	973,737	591,354	1,316,988	1,319,784	53,988	76,905
Total financial assets at fair value through profit or loss	408,449	298,017	1,055,938	614,428	1,361,977	1,331,717	56,194	78,032
Comprising:								
Derivatives								
Foreign currency forward contracts	15,799	2,649	39,461	8,048	44,970	11,918	2,188	1,120
Australian share price futures	1	-	-	-	-	-	-	-
International share price futures	9	4	441	225	19	15	18	7
Total derivatives	15,809	2,653	39,902	8,273	44,989	11,933	2,206	1,127
Fixed interest securities								
Australian reverse repurchase agreements*	-	-	42,299	14,801	-	-	-	-
Total fixed interest securities	-	-	42,299	14,801	-	-	-	-
Unlisted unit trusts								
Units in Australian equity trusts	-	-	-	591,354	-	-	-	-
Units in international equity trusts	392,640	295,364	973,737	-	-	-	53,988	76,905
Units in international property trusts	-	-	-	-	1,316,988	1,319,784	-	-
Total unlisted unit trusts	392,640	295,364	973,737	591,354	1,316,988	1,319,784	53,988	76,905
Total financial assets at fair value through profit or loss	408,449	298,017	1,055,938	614,428	1,361,977	1,331,717	56,194	78,032

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Notes to the financial statements (continued)

For the year ended 30 June 2020

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

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial assets at fair value through profit or loss								
Derivatives	17,805	13,304	362	271	214,355	96,814	43,350	31,676
Equity securities	975,353	486,786	26,570	23,149	-	-	1,491,091	1,299,496
Listed unit trusts	24,680	13,461	310	4,750	-	-	36,028	33,846
Fixed interest securities	12,463	8,580	-	-	190,700	104,311	18,695	30,739
Unlisted unit trusts	-	-	-	-	5,027,958	4,552,611	-	-
Total financial assets at fair value through profit or loss	1,030,301	522,131	27,242	28,170	5,433,013	4,753,736	1,589,164	1,395,757
Comprising:								
Derivatives								
Foreign currency forward contracts	17,725	13,183	362	267	213,026	95,122	43,244	31,313
International share price futures	80	121	-	4	1,329	1,692	106	363
Total derivatives	17,805	13,304	362	271	214,355	96,814	43,350	31,676
Equity securities								
Australian equity securities	-	-	950	940	-	-	-	-
International equity securities	975,353	486,786	25,620	22,209	-	-	1,491,091	1,299,496
Total equity securities	975,353	486,786	26,570	23,149	-	-	1,491,091	1,299,496
Listed units trusts								
Australian listed trusts	-	-	-	294	-	-	-	-
International listed trusts	24,680	13,461	310	4,456	-	-	36,028	33,846
Total listed unit trusts	24,680	13,461	310	4,750	-	-	36,028	33,846
Fixed interest securities								
Australian reverse repurchase agreements*	-	-	-	-	190,700	104,311	-	-
International reverse repurchase agreements*	12,463	8,580	-	-	-	-	18,695	30,739
Total fixed interest securities	12,463	8,580	-	-	190,700	104,311	18,695	30,739
Unlisted unit trusts								
Units in international equity trusts	-	-	-	-	5,027,958	4,552,611	-	-
Total unlisted unit trusts	-	-	-	-	5,027,958	4,552,611	-	-
Total financial assets at fair value through profit or loss	1,030,301	522,131	27,242	28,170	5,433,013	4,753,736	1,589,164	1,395,757

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

7 Financial liabilities at fair value through profit or loss

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial liabilities at fair value through profit or loss								
Derivatives	147	967	6,393	4,620	891	2,899	438	767
Total financial liabilities at fair value through profit or loss	147	967	6,393	4,620	891	2,899	438	767
Comprising:								
Derivatives								
Foreign currency forward contracts	134	967	6,306	4,615	891	2,817	436	767
International share price futures	13	-	87	5	-	82	2	-
Total derivatives	147	967	6,393	4,620	891	2,899	438	767
Total financial liabilities at fair value through profit or loss	147	967	6,393	4,620	891	2,899	438	767

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial liabilities at fair value through profit or loss								
Derivatives	3,568	6,246	28	130	34,445	66,059	7,258	15,324
Total financial liabilities at fair value through profit or loss	3,568	6,246	28	130	34,445	66,059	7,258	15,324
Comprising:								
Derivatives								
Foreign currency forward contracts	3,543	6,245	26	130	34,212	66,028	7,238	15,315
International share price futures	25	1	2	-	233	31	20	9
Total derivatives	3,568	6,246	28	130	34,445	66,059	7,258	15,324
Total financial liabilities at fair value through profit or loss	3,568	6,246	28	130	34,445	66,059	7,258	15,324

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

8 Derivative financial instruments

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

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

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

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

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

The Funds hold the following derivative instruments:

Forward currency contracts

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

Futures

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

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

	Vanguard Global Infrastructure Index Fund (Hedged)					
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	1,344,242	15,799	134	877,653	2,649	967
Australian share price index futures	295	1	-	-	-	-
International share price index futures	5,061	9	13	629	4	-
Total	1,349,598	15,809	147	878,282	2,653	967

	Vanguard MSCI Index International Shares (Hedged) ETF					
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	3,988,998	39,461	6,306	1,896,124	8,048	4,615
International share price index futures	22,453	441	87	22,216	225	5
Total	4,011,451	39,902	6,393	1,918,340	8,273	4,620

Notes to the financial statements (continued)

For the year ended 30 June 2020

8 Derivative financial instruments (continued)

Vanguard International Property Securities Index Fund (Hedged)						
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	4,020,176	44,970	891	4,073,286	11,918	2,817
International share price index futures	17,374	19	-	7,397	15	82
Total	4,037,550	44,989	891	4,080,683	11,933	2,899

Vanguard International Small Companies Index Fund (Hedged)						
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	236,240	2,188	436	266,842	1,120	767
International share price index futures	1,162	18	2	366	7	-
Total	237,402	2,206	438	267,208	1,127	767

Vanguard Ethically Conscious International Shares Index Fund						
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	1,873,874	17,725	3,543	1,554,660	13,183	6,245
International share price index futures	19,251	80	25	11,142	121	1
Total	1,893,125	17,805	3,568	1,565,802	13,304	6,246

Vanguard Global Minimum Volatility Fund						
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	38,106	362	26	42,771	267	130
International share price index futures	135	-	2	394	4	-
Total	38,241	362	28	43,165	271	130

Vanguard International Shares Index Fund (Hedged)						
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	21,354,678	213,026	34,212	19,977,673	95,121	66,028
International share price index futures	103,393	1,329	233	155,993	1,692	31
Total	21,458,071	214,355	34,445	20,133,666	96,813	66,059

Notes to the financial statements (continued)

For the year ended 30 June 2020

8 Derivative financial instruments (continued)

	Vanguard International Shares Select Exclusions Index Fund					
	2020			2019		
	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Fair value Assets \$'000	Liabilities \$'000
Forward currency contracts	4,092,905	43,244	7,238	3,882,638	31,314	15,315
International share price index futures	25,594	106	20	36,124	363	9
Total	4,118,499	43,350	7,258	3,918,762	31,677	15,324

Risk exposures and fair value measurements

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

9 Net assets attributable to unitholders

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

On 1 July 2019, Vanguard Global Minimum Volatility Fund made the election into the AMIT tax regime.

For the Vanguard Global Minimum Volatility Fund, the net assets attributable to unitholders remain disclosed as a liability as its multi-class structure means it has not met the strict criteria for recognition as equity, despite its election into the AMIT tax regime also.

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

	Vanguard Global Infrastructure Index Fund (Hedged)				Vanguard MSCI Index International Shares (Hedged) ETF			
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	289,699	150,826	301,058	136,071	8,995	6,282	620,365	407,156
Applications	260,307	201,813	268,470	193,809	6,160	2,704	397,480	174,645
Redemptions	(120,774)	(65,974)	(124,620)	(64,129)	(480)	-	(26,778)	-
Units issued upon reinvestment of distributions	-	3,034	-	2,740	-	9	-	573
Distributions paid and payable	-	-	(20,763)	(75)	-	-	-	-
Profit/(loss) for the year	-	-	(21,661)	32,642	-	-	35,576	37,991
Closing balance as at 30 June	429,232	289,699	402,484	301,058	14,675	8,995	1,026,643	620,365

	Vanguard International Property Securities Index Fund (Hedged)				Vanguard International Small Companies Index Fund (Hedged)			
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,588,255	1,530,722	1,340,428	1,199,429	81,629	107,568	79,683	109,449
Applications	660,405	698,358	533,184	556,926	36,768	23,654	35,145	23,297
Redemptions	(330,127)	(656,942)	(257,836)	(518,369)	(55,859)	(50,069)	(52,625)	(48,654)
Units issued upon reinvestment of distributions	-	16,117	-	12,626	103	476	101	485
Distributions paid and payable	-	-	-	(88)	-	-	-	(834)
Profit/(loss) for the year	-	-	(262,809)	89,904	-	-	(5,904)	(4,060)
Closing balance as at 30 June	1,918,533	1,588,255	1,352,967	1,340,428	62,641	81,629	56,400	79,683

Notes to the financial statements (continued)

For the year ended 30 June 2020

9 Net assets attributable to unitholders (continued)

	Vanguard Ethically Conscious International Shares Index Fund							
	ETF Class				AUD Unhedged Class			
	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Balance as at 1 July	575	-	29,594	-	96,937	-	106,757	-
Applications	1,695	574	95,567	28,304	292,646	97,488	338,406	106,105
Redemptions	(75)	-	(4,114)	-	(39,824)	(570)	(45,934)	(597)
Units issued upon reinvestment of distributions	1	1	73	1	3,305	19	3,813	19
Increase/(decrease) in net assets attributable to unitholders	-	-	925	1,289	-	-	18,847	1,230
Closing balance as at 30 June	2,196	575	122,045	29,594	353,064	96,937	421,889	106,757

	NZD Hedged Class			
	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Balance as at 1 July	398,483	-	376,307	-
Applications	268,601	391,276	255,575	355,283
Redemptions	(180,482)	(17)	(169,296)	(16)
Units issued upon reinvestment of distributions	-	7,224	-	6,249
Increase/(decrease) in net assets attributable to unitholders	-	-	15,647	14,791
Closing balance as at 30 June	486,602	398,483	478,233	376,307

	Vanguard Global Minimum Volatility Fund							
	Wholesale Class				ETF Class			
	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Balance as at 1 July	13,823	17,905	18,080	21,582	185	40	10,395	2,070
Applications	5,760	5,012	7,478	6,169	149	145	8,679	7,599
Redemptions	(7,522)	(9,094)	(9,823)	(11,050)	(105)	-	(4,749)	-
Units issued upon reinvestment of distributions	70	-	99	-	1	-	2	-
Increase/(decrease) in net assets attributable to unitholders	-	-	(944)	1,379	-	-	(2,184)	726
Closing balance as at 30 June	12,131	13,823	14,890	18,080	230	185	12,143	10,395

	Vanguard International Shares Index Fund (Hedged)							
	AUD Class				NZD Class			
	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Balance as at 1 July	5,497,735	5,000,478	4,710,024	4,018,471	70,081	277,170	97,139	393,523
Applications	1,867,354	1,156,577	1,546,782	939,446	-	5,347	-	8,134
Redemptions	(1,228,080)	(759,088)	(1,019,477)	(616,180)	(56,080)	(216,336)	(69,583)	(293,554)
Units issued upon reinvestment of distributions	19,412	99,768	16,630	80,555	1,384	3,900	1,753	5,167
Increase/(decrease) in net assets attributable to unitholders	-	-	(13,775)	287,732	-	-	(9,556)	(16,131)
Closing balance as at 30 June	6,156,421	5,497,735	5,240,184	4,710,024	15,385	70,081	19,753	97,139

Notes to the financial statements (continued)

For the year ended 30 June 2020

9 Net assets attributable to unitholders (continued)

Vanguard International Shares Select Exclusions Index Fund								
	AUD Unhedged Class				AUD Hedged Class			
	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 No. '000	30 Jun 2019 No. '000
Balance as at 1 July	344,634	194,757	437,457	212,076	126,401	21,012	132,402	19,614
Applications	201,004	225,107	265,326	270,539	112,374	106,059	115,674	106,016
Redemptions	(107,677)	(82,934)	(139,587)	(99,235)	(46,809)	(1,682)	(48,024)	(1,678)
Units issued upon reinvestment of distributions	13,657	7,704	17,304	9,054	-	1,012	-	927
Increase/(decrease) in net assets attributable to unitholders	-	-	(1,274)	45,023	-	-	5,064	7,523
Closing balance as at 30 June	451,618	344,634	579,226	437,457	191,966	126,401	205,116	132,402

	NZD Hedged Class			
	30 Jun 2020 No. '000	30 Jun 2019 No. '000	30 Jun 2020 No. '000	30 Jun 2019 No. '000
Balance as at 1 July	677,305	879,451	798,884	971,836
Applications	169,918	142,987	197,735	159,983
Redemptions	(197,580)	(365,011)	(234,554)	(409,591)
Units issued upon reinvestment of distributions	-	19,878	-	22,239
Increase/(decrease) in net assets attributable to unitholders	-	-	5,696	54,417
Closing balance as at 30 June	649,643	677,305	767,761	798,884

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard Global Infrastructure Index Fund (Hedged), Vanguard MSCI Index International Shares (Hedged) ETF, Vanguard International Property Securities Index Fund (Hedged) and Vanguard International Small Companies Index Fund (Hedged) have no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

Capital risk management

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

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

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

10 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard Global Infrastructure Index Fund (Hedged)				Vanguard MSCI Index International Shares (Hedged) ETF			
	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU
Distributions paid								
- 31 December	-	-	75	0.0267	-	-	-	-
Distributions payable								
- 30 June	20,763	4.8373	-	-	-	-	-	-
	20,763	4.8373	75	0.0267	-	-	-	-
	Vanguard International Property Securities Index Fund (Hedged)				Vanguard International Small Companies Index Fund (Hedged)			
	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU
Distributions paid								
- 31 December	-	-	88	0.0063	-	-	-	-
Distributions payable								
- 30 June	-	-	-	-	-	-	834	1.0220
	-	-	88	0.0063	-	-	834	1.0220
	Vanguard Ethically Conscious International Shares Index Fund ETF Class				AUD Unhedged Class			
	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU
Distributions paid								
- 30 September	119	17.6690	-	-	943	0.3465	-	-
- 31 December	253	20.7971	12	16.5673	1,366	0.4563	7	0.2596
- 31 March	351	18.8608	21	6.2096	1,144	0.3546	13	0.2207
Distributions payable								
- 30 June	790	35.1855	217	37.5163	795	0.2254	650	0.6704
	1,513	92.5124	250	60.2932	4,248	1.3828	670	1.1507
					NZD Hedged Class			
	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU	30 Jun 2020 \$'000	CPU	30 Jun 2019 \$'000	CPU
Distributions paid								
- 30 September	-	-	-	-	-	-	62	0.0241
- 31 December	-	-	-	-	-	-	3,472	1.1775
- 31 March	-	-	-	-	-	-	3,586	1.0687
Distributions payable								
- 30 June	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	7,120	2.2703

Notes to the financial statements (continued)

For the year ended 30 June 2020

10 Distributions to unitholders paid and payable (continued)

Vanguard Global Minimum Volatility Fund								
Wholesale Class				ETF Class				
	30 Jun 2020		30 Jun 2019		30 Jun 2020		30 Jun 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 31 December	132	1.1829	-	-	126	46.0156	-	-
Distributions payable								
- 30 June	206	1.7007	-	-	172	74.4907	-	-
	338	2.8836	-	-	298	120.5063	-	-

Vanguard International Shares Index Fund (Hedged)								
AUD Class				NZD Class				
	30 Jun 2020		30 Jun 2019		30 Jun 2020		30 Jun 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 31 August	-	-	-	-	6,283	9.1292	-	-
- 31 December	-	-	4,595	0.0848	-	-	-	-
- 31 March	-	-	-	-	-	-	3,344	3.2292
- 30 April	-	-	-	-	-	-	4,010	3.7974
Distributions payable								
- 30 June	107,537	1.7468	25,645	0.4665	-	-	-	-
	107,537	1.7468	30,240	0.5513	6,283	9.1292	7,354	7.0266

Vanguard International Shares Select Exclusions Index Fund								
AUD Unhedged Class				AUD Hedged Class				
	30 Jun 2020		30 Jun 2019		30 Jun 2020		30 Jun 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	3,399	0.9643	1,326	0.5795	-	-	-	-
- 31 December	2,990	0.7256	2,541	0.7862	-	-	1,368	1.5143
- 31 March	10,562	2.5272	2,930	0.8590	-	-	110	0.1062
Distributions payable								
- 30 June	7,959	1.7622	5,789	1.6797	-	-	-	-
	24,910	5.9793	12,586	3.9044	-	-	1,478	1.6205

NZD Hedged Class				
	30 Jun 2020		30 Jun 2019	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 31 December	-	-	1,061	0.1666
- 31 March	-	-	16,331	2.5638
Distributions payable				
- 30 June	103	0.0159	-	-
	103	0.0159	17,392	2.7304

Notes to the financial statements (continued)

For the year ended 30 June 2020

11 Cash and cash equivalents

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	108	747	1,069	7	97	1,352	834	336
Foreign cash at bank	881	90	8,716	2,651	607	6,538	412	64
Total cash and cash equivalents	989	837	9,785	2,658	704	7,890	1,246	400

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	1,135	(7,286)	138	371	21,164	11,415	8,147	2,785
Foreign cash at bank	10,284	14,127	215	119	17,755	22,193	14,542	11,247
Total cash and cash equivalents	11,419	6,841	353	490	38,919	33,608	22,689	14,032

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	(21,661)	32,642	35,576	37,991	(262,809)	89,904	(5,904)	(4,060)
Proceeds from sale of financial instruments at fair value through profit or loss	94,070	57,916	367,005	81,451	221,023	411,696	54,137	35,776
Purchases of financial instruments at fair value through profit or loss	(237,850)	(188,939)	(730,227)	(253,683)	(502,894)	(520,331)	(35,019)	(8,371)
Net (gains)/losses on financial instruments at fair value through profit or loss	57,833	(22,987)	4,308	(23,977)	330,987	(29,443)	9,017	8,197
Net change in receivables	(12,494)	621	(22,369)	(687)	(1,762)	58,886	1,422	2,019
Net change in payables	4	4	(9)	64	2	(352)	(3)	(7)
Non-cash items	(23,814)	(10,338)	(17,392)	(13,304)	(66,876)	(119,715)	(4,576)	(6,196)
Net cash inflow/(outflow) from operating activities	(143,912)	(131,081)	(363,108)	(172,145)	(282,329)	(109,355)	19,074	27,358
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	-	2,740	-	573	-	12,626	101	485

Notes to the financial statements (continued)

For the year ended 30 June 2020

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

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Increase/(decrease) in net assets attributable to unitholders	35,419	17,310	(3,128)	2,105	(23,331)	271,601	9,486	106,963
Distribution to unitholders	5,761	8,040	636	-	113,820	37,594	25,013	31,456
Proceeds from sale of financial instruments at fair value through profit or loss	99,012	21,485	26,475	15,771	864,131	437,017	302,834	393,739
Purchases of financial instruments at fair value through profit or loss	(580,772)	(499,472)	(28,919)	(18,714)	(1,355,845)	(443,062)	(471,590)	(432,834)
Net (gains)/losses on financial instruments at fair value through profit or loss	(29,583)	(20,484)	3,100	(1,391)	202,255	(81,938)	(9,855)	(114,846)
Net change in receivables	(477)	(737)	72	(69)	(75,876)	(6,056)	559	(708)
Net change in payables	81	101	-	-	15	(986)	46	(1,193)
Non-cash items	(3)	(9)	(3)	-	(218,635)	(222,142)	(36)	(92)
Net cash inflow/(outflow) from operating activities	(470,562)	(473,766)	(1,767)	(2,298)	(493,466)	(7,972)	(143,543)	(17,515)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	3,886	6,269	101	-	18,383	85,722	17,304	32,220

13 Remuneration of auditors

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

	Vanguard MSCI Index International Shares (Hedged) ETF	
	30 Jun 2020 \$	30 Jun 2019 \$
PricewaterhouseCoopers		
Audit and other assurance services		
Audit and review of financial statements	23,000	23,000
Audit of compliance plan and specified assertions report	3,699	3,589
Total remuneration for audit and other assurance services	26,699	26,589
Taxation services		
Tax compliance services	6,375	8,250
Total remuneration for taxation services	6,375	8,250
Total remuneration of PricewaterhouseCoopers	33,074	34,839

Notes to the financial statements (continued)

For the year ended 30 June 2020

13 Remuneration of auditors (continued)

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)		Vanguard Ethically Conscious International Shares Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$	\$	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers								
Audit and other assurance services								
Audit and review of financial statements	20,500	20,500	21,000	21,000	15,500	20,500	27,000	27,000
Audit of compliance plan, specified assertions report and internal controls report	9,324	9,402	9,324	9,402	9,324	9,402	9,324	9,402
Total remuneration for audit and other assurance services	29,824	29,902	30,324	30,402	24,824	29,902	36,324	36,402
Taxation services								
Tax compliance services	6,375	8,250	6,375	8,250	6,375	8,250	23,397	17,865
Total remuneration for taxation services	6,375	8,250	6,375	8,250	6,375	8,250	23,397	17,865
Total remuneration of PricewaterhouseCoopers	36,199	38,152	36,699	38,652	31,199	38,152	59,721	54,267

	Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$	\$	\$	\$	\$	\$
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements			24,000	24,000	28,000	24,000
Audit of compliance plan, specified assertions report and internal controls report			9,324	9,402	9,324	9,402
Total remuneration for audit and other assurance services			33,324	33,402	37,324	33,402
Taxation services						
Tax compliance services			9,490	9,865	10,729	10,635
Total remuneration for taxation services			9,490	9,865	10,729	10,635
Total remuneration of PricewaterhouseCoopers			42,814	43,267	48,053	51,267

14 Related party transactions

Responsible Entity

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

Key management personnel

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

J M Norris

C Lui

J Platt

F Kolimago

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

Notes to the financial statements (continued)

For the year ended 30 June 2020

14 Related party transactions (continued)

Transactions with key management personnel

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

Key management personnel unitholdings

The key management personnel of Vanguard Investments Australia Ltd (VIA) did not hold any units in the Funds during the financial year ended 30 June 2020 and 30 June 2019.

Key management personnel remuneration

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

Key management personnel loan disclosures

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

Responsible Entity's fees and other transactions

During the year ended 30 June 2020, the Responsible Entity received an all-inclusive management fee (inclusive of GST, net of RITC available to the Funds) over the Funds' average net assets attributable to unitholders for the year as follows:

	Management costs	
	2020 % per annum	2019 % per annum
Vanguard Global Infrastructure Index Fund (Hedged)	0.52	0.52
Vanguard MSCI Index International Shares (Hedged) ETF	0.21	0.21
Vanguard International Property Securities Index Fund (Hedged)	0.43	0.43
Vanguard International Small Companies Index Fund (Hedged)	0.42	0.42
Vanguard Ethically Conscious International Shares Index Fund - ETF Class	0.18	0.18
Vanguard Ethically Conscious International Shares Index Fund - AUD Unhedged Class	0.20	0.20
Vanguard Ethically Conscious International Shares Index Fund - NZD Hedged Class	0.26	0.26
Vanguard Global Minimum Volatility Fund - Wholesale Class	0.35	0.35
Vanguard Global Minimum Volatility Fund - ETF Class	0.28	0.28
Vanguard International Shares Index Fund (Hedged) - AUD Class	0.21	0.21
Vanguard International Shares Index Fund (Hedged) - NZD Class	0.24	0.24
Vanguard International Shares Select Exclusions Index Fund - AUD Unhedged Class	0.20	0.20
Vanguard International Shares Select Exclusions Index Fund - AUD Hedged Class	0.23	0.23
Vanguard International Shares Select Exclusions Index Fund - NZD Hedged Class	0.26	0.26

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

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Responsible Entity's fees for the year	119	65	267	173	443	362	22	34
Total fees payable to the Responsible Entity at year end	11	7	25	15	34	32	1	4

Notes to the financial statements (continued)

For the year ended 30 June 2020

14 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

	Vanguard Ethically Conscious International Shares Index Fund		Vanguard Global Minimum Volatility Fund		Vanguard International Shares Index Fund (Hedged)		Vanguard International Shares Select Exclusions Index Fund	
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Responsible Entity's fees for the year	1,738	662	88	88	1,782	1,576	3,645	2,950
Total fees payable to the Responsible Entity at year end	182	97	7	7	134	119	307	260

Related party unitholdings

Parties related to the Funds including the Responsible Entity, its affiliates or other schemes managed by the Responsible Entity held units in the Funds as follows:

Vanguard Global Infrastructure Index Fund (Hedged)							
30 Jun 2020 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	1,900,627	902,361	845,422	0.21	539,612	1,537,878	43,650

Vanguard Global Infrastructure Index Fund (Hedged)							
30 Jun 2019 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	-	1,900,627	1,974,181	0.66	2,307,047	406,420	409

Vanguard International Property Securities Index Fund (Hedged)							
30 Jun 2020 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	885,628	1,240,337	874,190	0.06	587,716	233,007	-

Vanguard International Property Securities Index Fund (Hedged)							
30 Jun 2019 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	512,392	885,628	747,293	0.06	529,530	156,294	43

Vanguard Global Minimum Volatility Fund							
30 Jun 2020 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	1,886,340	3,657,092	4,485,424	30.14	2,452,084	681,332	100,744
Vanguard Investments Australia Ltd	5,113,548	-	-	-	-	5,113,548	-

Vanguard Global Minimum Volatility Fund							
30 Jun 2019 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Managed Payout Fund	2,244,036	1,886,340	2,465,822	13.65	1,035,401	1,393,097	-
Vanguard Investments Australia Ltd	11,291,717	5,113,548	6,684,430	36.99	-	6,178,169	-

Notes to the financial statements (continued)

For the year ended 30 June 2020

14 Related party transactions (continued)

Related party unitholdings (continued)

30 Jun 2020 Unitholder	Vanguard International Shares Index Fund (Hedged)						
	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Index Hedged International Shares Fund	188,848,459	182,080,305	154,895,715	2.96	11,477,537	18,245,691	3,180,488
Vanguard LifeStrategy® Conservative Fund	2,908,047	3,688,352	3,137,681	0.06	3,406,646	2,626,341	64,426
Vanguard LifeStrategy® Balanced Fund	13,969,609	16,568,198	14,094,566	0.27	5,467,019	2,868,430	289,405
Vanguard LifeStrategy® Growth Fund	32,181,380	33,822,192	28,772,539	0.55	7,045,647	5,404,835	590,789
Vanguard LifeStrategy® High Growth Fund	47,346,054	50,859,078	43,265,818	0.83	14,005,808	10,492,784	888,381
Vanguard Conservative Index Fund	125,982,920	168,495,721	143,339,310	2.74	85,869,826	43,357,025	2,943,199
Vanguard Balanced Index Fund	454,491,543	562,824,774	478,795,035	9.14	239,984,786	131,651,555	9,831,142
Vanguard Growth Index Fund	716,796,750	795,278,776	676,543,655	12.92	314,214,640	235,732,614	13,891,532
Vanguard High Growth Index Fund	505,855,359	626,728,718	533,158,121	10.18	213,667,021	92,793,662	10,947,384

30 Jun 2019 Unitholder	Vanguard International Shares Index Fund (Hedged)						
	Number of units held opening Units	Number of units held closing Units	Fair value of investments \$	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
Vanguard Index Hedged International Shares Fund	183,217,580	188,848,459	161,774,256	3.44	22,288,216	16,657,337	1,046,691
Vanguard LifeStrategy® Conservative Fund	2,632,267	2,908,047	2,491,135	0.05	934,505	658,725	16,097
Vanguard LifeStrategy® Balanced Fund	12,568,633	13,969,609	11,966,860	0.25	3,260,200	1,859,224	76,962
Vanguard LifeStrategy® Growth Fund	27,787,546	32,181,380	27,567,707	0.59	4,937,803	543,969	176,574
Vanguard LifeStrategy® High Growth Fund	37,849,905	47,346,054	40,558,301	0.86	9,621,136	124,987	258,211
Vanguard Conservative Index Fund	98,636,593	125,982,920	107,921,417	2.29	30,433,784	3,087,457	686,100
Vanguard Balanced Index Fund	332,797,243	454,491,543	389,333,500	8.27	121,694,300	-	2,470,589
Vanguard Growth Index Fund	502,687,476	716,796,750	614,033,399	13.04	214,109,274	-	3,885,853
Vanguard High Growth Index Fund	352,550,468	505,855,359	433,333,559	9.20	155,804,298	2,499,407	2,732,922

Investments

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

30 Jun 2020	Vanguard Global Infrastructure Index Fund (Hedged)					
	Fair value of investment \$	Interest held %	Distribution received/receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard Global Infrastructure Index Fund	392,639,756	57.31	36,307,451	199,899,420	86,692,666	17,134,405
	392,639,756		36,307,451	199,899,420	86,692,666	17,134,405

30 Jun 2019	Vanguard Global Infrastructure Index Fund (Hedged)					
	Fair value of investment \$	Interest held %	Distribution received/receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard Global Infrastructure Index Fund	295,363,693	44.65	9,716,256	169,717,661	62,598,929	4,640,882
	295,363,693		9,716,256	169,717,661	62,598,929	4,640,882

Notes to the financial statements (continued)

For the year ended 30 June 2020

14 Related party transactions (continued)

Investments (continued)

30 Jun 2020	Vanguard MSCI Index International Shares (Hedged) ETF					
	Fair value of investment \$	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Shares Index Fund - B Class	973,736,739	5.42	39,814,646	5,917,336	856,019	28,309,296
	973,736,739		39,814,646	5,917,336	856,019	28,309,296

30 Jun 2019	Vanguard MSCI Index International Shares (Hedged) ETF					
	Fair value of investment \$	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Shares Index Fund - B Class	591,353,857	3.50	13,930,570	2,279,882	101,211	5,885,587
	591,353,857		13,930,570	2,279,882	101,211	5,885,587

30 Jun 2020	Vanguard International Property Securities Index Fund (Hedged)					
	Fair value of investment \$	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Property Securities Index Fund	1,316,988,012	72.34	68,641,295	523,415,762	283,331,492	13,344,147
	1,316,988,012		68,641,295	523,415,762	283,331,492	13,344,147

30 Jun 2019	Vanguard International Property Securities Index Fund (Hedged)					
	Fair value of investment \$	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Property Securities Index Fund	1,319,783,783	69.93	60,826,985	554,326,958	462,701,839	11,578,527
	1,319,783,783		60,826,985	554,326,958	462,701,839	11,578,527

30 Jun 2020	Vanguard International Small Companies Index Fund (Hedged)					
	Fair value of investment \$	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Small Companies Index Fund	53,988,166	5.20	3,165,078	24,811,362	35,514,162	937,089
	53,988,166		3,165,078	24,811,362	35,514,162	937,089

30 Jun 2019	Vanguard International Small Companies Index Fund (Hedged)					
	Fair value of investment \$	Interest held %	Distribution received/ receivable \$	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid \$
Vanguard International Small Companies Index Fund	76,905,123	8.67	4,168,973	8,829,947	23,616,866	2,347,881
	76,905,123		4,168,973	8,829,947	23,616,866	2,347,881

Notes to the financial statements (continued)

For the year ended 30 June 2020

14 Related party transactions (continued)

Investments (continued)

30 Jun 2020	Vanguard International Shares Index Fund (Hedged)					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard International Shares Index Fund	5,027,957,761	33.91	294,941,181	604,158,632	379,563,211	183,618,481
	5,027,957,761		294,941,181	604,158,632	379,563,211	183,618,481

30 Jun 2019	Vanguard International Shares Index Fund (Hedged)					
	Fair value of investment	Interest held	Distribution received/receivable	Number of units acquired	Number of units disposed	Distribution receivable unpaid
	\$	%	\$	Units	Units	\$
Vanguard International Shares Index Fund	4,552,610,252	31.60	227,751,597	260,702,472	286,538,885	107,312,454
	4,552,610,252		227,751,597	260,702,472	286,538,885	107,312,454

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

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

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

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

Other transactions within the Funds

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

15 Responsible Entity's fees

	Vanguard Global Infrastructure Index Fund (Hedged)		Vanguard MSCI Index International Shares (Hedged) ETF		Vanguard International Property Securities Index Fund (Hedged)		Vanguard International Small Companies Index Fund (Hedged)	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2019	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	119	65	267	173	443	362	22	34
Management costs per annum	0.52%	0.52%	0.21%	0.21%	0.43%	0.43%	0.42%	0.42%

	Vanguard Ethically Conscious International Shares Index Fund					
	ETF Class		AUD Unhedged Class		NZD Hedged Class	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	130	15	685	38	923	609
Management costs per annum	0.18%	0.18%	0.20%	0.20%	0.26%	0.26%

Notes to the financial statements (continued)

For the year ended 30 June 2020

15 Responsible Entity's fees (continued)

	Vanguard Global Minimum Volatility Fund				Vanguard International Shares Index Fund (Hedged)			
	Wholesale Class		ETF Class		AUD Class		NZD Class	
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Responsible Entity's fees incurred by the Funds	50	68	38	20	1,756	1,480	26	96
Management costs per annum	0.35%	0.35%	0.28%	0.28%	0.21%	0.21%	0.24%	0.24%

	Vanguard International Shares Select Exclusions Index Fund					
	AUD Unhedged Class		AUD Hedged Class		NZD Hedged Class	
	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Responsible Entity's fees incurred by the Funds	1,058	720	435	176	2,152	2,054
Management costs per annum	0.20%	0.20%	0.23%	0.23%	0.26%	0.26%

16 Securities Lending

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

	30 Jun 2020		30 Jun 2019	
	Value of outstanding securities on loan	Value of collateral	Value of outstanding securities on loan	Value of collateral
	\$'000	\$'000	\$'000	\$'000
Vanguard Ethically Conscious International Shares Index Fund	3,690	3,939	-	-
Vanguard Global Minimum Volatility Fund	-	-	20	22
Vanguard International Shares Select Exclusions Index Fund	6,296	6,675	3,634	3,875

17 Withholding tax on dividend and distribution income

Withholding tax on dividend and distribution income were as follows:

	2020 \$'000	2019 \$'000
Vanguard Ethically Conscious International Shares Index Fund	1,958	762
Vanguard Global Minimum Volatility Fund	101	104
Vanguard International Shares Select Exclusions Index Fund	4,099	3,553

18 Events occurring after the reporting period

There are no significant events that have occurred since balance date which would impact on the financial position of the Funds as disclosed in the balance sheet as at 30 June 2020 or on the results and cash flows of the Funds for the year ended on that date.

19 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2020 (2019: Nil).

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 11 to 61 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2020 and of their performance, as represented by the results of their operations for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

DocuSigned by:

DC91B2E3E62D42C...

F Kolimago
Managing Director
Melbourne
9 September 2020



Independent auditor's report

To the unitholders of:

- Vanguard Global Infrastructure Index Fund (Hedged)
- Vanguard MSCI Index International Shares (Hedged) ETF*
- Vanguard International Property Securities Index Fund (Hedged)
- Vanguard International Small Companies Index Fund (Hedged)
- Vanguard Ethically Conscious International Shares Index Fund*
- Vanguard Global Minimum Volatility Fund*
- Vanguard International Shares Index Fund (Hedged)
- Vanguard International Shares Select Exclusions Index Fund

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

* denotes listed Funds

Report on the audit of the financial report

Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Funds' financial positions as at 30 June 2020 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheets as at 30 June 2020
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

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

PricewaterhouseCoopers, ABN 52 780 433 757

2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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

Independence

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

Our audit approach

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

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Funds, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit, we used approximately 2.5% of the Fund's net assets to set our overall materiality for Vanguard International Small Companies Index Fund (Hedged).
- For all of the other funds, we used approximately 1% of each Fund's net assets to set our overall materiality for each Fund.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is the metric against which the performance of the Funds are most commonly measured and is a generally accepted benchmark in the fund industry.
- We utilised 1% or 2.5% as the threshold based on our professional judgement, noting they are within the range of commonly acceptable thresholds.

Audit Scope

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

Key audit matters

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

Key audit matter

How our audit addressed the key audit matter

Investments in financial assets and financial liabilities

Refer to note 2 (Summary of significant accounting policies) and note 4 (Fair value measurement)

At 30 June 2020, investments in financial assets and financial liabilities comprised primarily of investments in listed equity securities, listed unit trusts, unlisted unit trusts, fixed interest securities and derivatives.

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

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

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

We obtained an independent audit report from the third-party service provider's auditors on the valuation and existence of the Funds' investments as at balance sheet date. We compared the number and value of the investments at 30 June 2020 as recorded in the Funds' financial report and underlying accounting records to this report.



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
	<p>For investments not held in custody by the custodian, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none">• We obtained a confirmation from the counterparties for collateral held and forward currency contracts or from the unit registry of the Responsible Entity for investments in unlisted unit trusts at year end and compared the confirmed balance to the accounting records.• We compared the price used by the Funds to value unlisted unit trust investments to the most recent audited financial statements of the unlisted unit trusts and to the 30 June 2020 price quoted by the unlisted unit trusts' Responsible Entity.• We obtained the trade ticket for repurchase agreements and compared the loan amounts to the accounting records.• We compared the loan amounts for repurchase agreements to cash settlement after year end.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations*



Act 2001 and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf, for the listed funds and

http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf, for the unlisted funds. These descriptions form part of our auditor's report.

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

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Britt Hawkins'.

Britt Hawkins
Partner

Melbourne
9 September 2020

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Responsible Entity

Vanguard Investments Australia Ltd
ABN 72 072 881 086
AFSL 227263

Level 13
130 Lonsdale Street
Melbourne VIC 3000

Telephone: (03) 8888 3888
Facsimile: 1300 765 712

vanguard.com.au

Connect with Vanguard®

vanguard.com.au

1300 655 101