

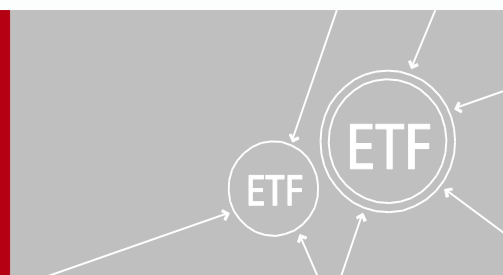
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**Vanguard**

## Interim Report for the Vanguard® Exchange Traded Funds

9 March 2021



Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard Australian Fixed Interest Index ETF	VAF	Interim Report
Vanguard Australian Government Bond Index ETF	VGB	Interim Report
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	Interim Report
Vanguard International Credit Securities Index (Hedged) ETF	VCF	Interim Report
Vanguard Australian Corporate Fixed Interest Index ETF	VACF	Interim Report
Vanguard Global Aggregate Bond Index (Hedged) ETF	VBND	Interim Report
Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF	VEFI	Interim Report

Vanguard has prepared an interim report for the half year ended 31 December 2020, for the Vanguard Wholesale Funds. 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 interim 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](http://vanguard.com.au)

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Interim report for the half year ended 31 December 2020

Vanguard<sup>®</sup> Wholesale Fixed Income Funds and ETFs

2020-

2021

## Vanguard Wholesale Fixed Income Funds and ETFs

	ASX CODE:		
Vanguard Australian Inflation-Linked Bond Index Fund		ARSN 147 936 249	ABN 69 769 407 563
Vanguard Short Term Fixed Interest Fund*		ARSN 090 940 060	ABN 19 638 293 529
Vanguard Australian Corporate Fixed Interest Index Fund	VACF	ARSN 147 938 001	ABN 51 978 865 366
Vanguard Australian Fixed Interest Index Fund	VAF	ARSN 090 939 941	ABN 52 931 145 473
Vanguard Australian Government Bond Index Fund	VGB	ARSN 134 177 807	ABN 23 499 844 319
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	VEFI	ARSN 618 349 090	ABN 40 120 502 284
Vanguard Global Aggregate Bond Index Fund (Hedged)	VBND	ARSN 618 350 539	ABN 14 933 513 845
Vanguard International Credit Securities Index Fund (Hedged)	VCF	ARSN 095 366 055	ABN 15 118 646 737
Vanguard International Fixed Interest Index Fund (Hedged)	VIF	ARSN 090 940 337	ABN 59 108 266 812

\* formerly known as Vanguard Cash Plus Fund.

### Responsible Entity

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# Contents

Directors' report	2
Auditor's independence declaration	5
Statements of comprehensive income	6
Balance sheets	8
Statements of changes in equity	10
Statements of cash flows	12
Notes to the financial statements	15
Directors' declaration	26
Independent auditor's report	27

# 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 over AUD \$9.2 trillion in assets under management as of 31 December 2020, including more than AUD \$2 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 Fixed Income Funds and ETFs (the "Funds") for the half-year ended 31 December 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 half-year ended 31 December 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 Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund are actively managed and do not track or replicate the performance of the benchmark.

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 half-year.

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

## Directors

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

J M Norris (Resigned 21 September 2020)

C Lui (Resigned 31 December 2020)

J Platt

F Kolimago

C Mclsaac (Appointed 25 September 2020)

## Review and results of operations

The Funds invest in fixed interest securities, money market 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 Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	51,894	4,004	2,509	7,246	181	6,342	16,598	5,579
<b>Distributions - Wholesale Class</b>								
Distribution paid and payable (\$'000)	5,225	4,299	2,148	10,256	3	7,855	2,120	2,932
Distribution (cents per unit)	0.6101	0.7700	0.1764	0.7812	0.0002	0.6247	1.0112	1.2223
<b>Distributions - ETF Class</b>								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	3,874	4,002
Distribution (cents per unit)	-	-	-	-	-	-	47.7907	58.3485

# Directors' report (continued)

## Review and results of operations (continued)

### Results (continued)

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	70,230	22,141	6,417	(1,207)	12,302	11,515
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	108,570	72,715	13,217	11,335	-	-
Distribution (cents per unit)	1.7409	1.3107	2.4063	1.8163	-	-
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	21,706	14,289	8,064	4,645	1,022	86
Distribution (cents per unit)	75.4995	57.3089	74.4212	60.6683	220.6208	37.7806
<b>Distributions - AUD Hedged Class</b>						
Distribution paid and payable (\$'000)	-	-	-	-	5,921	272
Distribution (cents per unit)	-	-	-	-	4.6088	0.5140
<b>Distributions - NZD Hedged Class</b>						
Distribution paid and payable (\$'000)	-	-	-	-	44,048	5,654
Distribution (cents per unit)	-	-	-	-	4.9622	0.8954
	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	92,608	61,312	28,941	20,055	16,847	19,563
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	266,627	38,269	51,977	7,888	98,872	12,454
Distribution (cents per unit)	5.1141	0.8467	8.8457	1.2630	6.2753	0.8001
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	11,253	1,015	13,223	1,665	28,855	2,583
Distribution (cents per unit)	246.8057	39.7829	351.1363	51.4626	248.3382	31.5359

### Significant changes in state of affairs

On 19 August 2020, the Directors approved the name change of the Vanguard Cash Plus Fund to Vanguard Short Term Fixed Interest Fund with the name change effective 1 October 2020.

Jim Norris resigned as a Director of Vanguard Investments Australia Ltd on 21 September 2020.

Chris Mclsaac was appointed as a Director of Vanguard Investments Australia Ltd on 25 September 2020.

Cynthia Lui resigned as a Director of Vanguard Investments Australia Ltd on 31 December 2020.

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 half-year.

# Directors' report (continued)

## Matters subsequent to the end of the half-year

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:

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

## 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 5.

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



F Kolimago

*Managing Director*

Melbourne

4 March 2021





## *Auditor's Independence Declaration*

- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Short Term Fixed Interest Fund (formerly known as Vanguard Cash Plus Fund)
- Vanguard Cash Reserve Fund
- Vanguard Australian Corporate Fixed Interest Index Fund\*
- Vanguard Australian Fixed Interest Index Fund\*
- Vanguard Australian Government Bond Index Fund\*
- Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)\*
- Vanguard Global Aggregate Bond Index Fund (Hedged)\*
- Vanguard International Credit Securities Index Fund (Hedged)\*
- Vanguard International Fixed Interest Index Fund (Hedged)\*

referred to collectively as the Vanguard Wholesale Fixed Income Funds and ETFs.

\* denotes listed Funds

As lead auditor for the review of the Vanguard Wholesale Fixed Income Funds and ETFs for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'Britt Hawkins', is written over a light blue horizontal line.

Britt Hawkins  
Partner  
PricewaterhouseCoopers

Melbourne  
4 March 2021

# Statements of comprehensive income

For the half-year ended 31 December 2020

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Notes								
<b>Investment income</b>								
Interest income	2	6	1	11	1	28	-	11
Net gains/(losses) on financial instruments at fair value through profit or loss	53,376	4,974	3,946	9,195	1,426	7,274	17,255	6,197
Other operating income	56	-	-	-	2	-	209	194
<b>Total net investment income/(loss)</b>	<b>53,434</b>	<b>4,980</b>	<b>3,947</b>	<b>9,206</b>	<b>1,429</b>	<b>7,302</b>	<b>17,464</b>	<b>6,402</b>
<b>Expenses</b>								
Responsible Entity's fees	1,536	975	1,432	1,956	1,242	956	853	812
Custody fees	4	1	6	4	6	4	13	9
Other operating expenses	-	-	-	-	-	-	-	2
<b>Total operating expenses</b>	<b>1,540</b>	<b>976</b>	<b>1,438</b>	<b>1,960</b>	<b>1,248</b>	<b>960</b>	<b>866</b>	<b>823</b>
<b>Operating profit/(loss)</b>	<b>51,894</b>	<b>4,004</b>	<b>2,509</b>	<b>7,246</b>	<b>181</b>	<b>6,342</b>	<b>16,598</b>	<b>5,579</b>
<b>Finance costs attributable to unitholders</b>								
Distributions to unitholders	5	-	-	-	-	-	(5,994)	(6,934)
(Increase)/decrease in net assets attributable to unitholders	4	-	-	-	-	-	(10,604)	1,355
<b>Profit/(loss) for the half-year</b>	<b>51,894</b>	<b>4,004</b>	<b>2,509</b>	<b>7,246</b>	<b>181</b>	<b>6,342</b>	<b>-</b>	<b>-</b>
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>51,894</b>	<b>4,004</b>	<b>2,509</b>	<b>7,246</b>	<b>181</b>	<b>6,342</b>	<b>-</b>	<b>-</b>

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Notes						
<b>Investment income</b>						
Interest income			11	30	1	13
Net gains/(losses) on financial instruments at fair value through profit or loss			80,404	31,043	7,711	(98)
Other operating income			94	145	42	27
<b>Total net investment income/(loss)</b>			<b>80,509</b>	<b>31,218</b>	<b>7,754</b>	<b>(58)</b>
<b>Expenses</b>						
Responsible Entity's fees			10,265	9,031	1,325	1,138
Custody fees			13	12	12	10
Other operating expenses			1	34	-	1
<b>Total operating expenses</b>			<b>10,279</b>	<b>9,077</b>	<b>1,337</b>	<b>1,149</b>
<b>Operating profit/(loss)</b>			<b>70,230</b>	<b>22,141</b>	<b>6,417</b>	<b>(1,207)</b>
<b>Finance costs attributable to unitholders</b>						
Distributions to unitholders	5		(130,276)	(87,004)	(21,281)	(15,980)
(Increase)/decrease in net assets attributable to unitholders	4		60,046	64,863	14,864	17,187
<b>Profit/(loss) for the half-year</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income			-	-	-	-
<b>Total comprehensive income for the half-year</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# Statements of comprehensive income (continued)

For the half-year ended 31 December 2020

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>							
Interest income		-	-	-	3	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		99,759	68,024	30,365	21,469	19,956	22,378
Other operating income		134	133	55	82	102	102
<b>Total net investment income/(loss)</b>		<b>99,893</b>	<b>68,157</b>	<b>30,420</b>	<b>21,554</b>	<b>20,058</b>	<b>22,480</b>
<b>Expenses</b>							
Responsible Entity's fees		6,928	5,697	1,429	1,461	3,100	2,884
Custody fees		77	36	39	25	41	21
Transaction costs		1	-	-	-	-	-
Other operating expenses		279	1,112	11	13	70	12
<b>Total operating expenses</b>		<b>7,285</b>	<b>6,845</b>	<b>1,479</b>	<b>1,499</b>	<b>3,211</b>	<b>2,917</b>
<b>Operating profit/(loss)</b>		<b>92,608</b>	<b>61,312</b>	<b>28,941</b>	<b>20,055</b>	<b>16,847</b>	<b>19,563</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders	5	(277,880)	(39,284)	(65,200)	(9,553)	(127,727)	(15,037)
(Increase)/decrease in net assets attributable to unitholders	4	185,272	(22,028)	36,259	(10,502)	110,880	(4,526)
<b>Profit/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# Balance sheets

As at 31 December 2020

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000
<b>Assets</b>									
Cash and cash equivalents		447	2,524	12,053	422	672,934	912,726	2,276	4,487
Margin accounts		-	-	38	595	130	1,161	127	202
Receivables		59	41	173	451	151	256	2,212	643
Due from brokers - receivable for securities sold		2,037	1,509	-	-	2,002	-	1,984	6,529
Financial assets at fair value through profit or loss		1,104,730	914,730	690,176	1,181,736	962,342	748,682	705,516	558,025
<b>Total assets</b>		<b>1,107,273</b>	<b>918,804</b>	<b>702,440</b>	<b>1,183,204</b>	<b>1,637,559</b>	<b>1,662,825</b>	<b>712,115</b>	<b>569,886</b>
<b>Liabilities</b>									
Margin accounts		-	-	-	510	-	1,040	-	-
Distribution payable	5	4,284	3,163	-	1,289	-	702	3,433	7,376
Payables		274	268	248	3,489	5,337	260	209	126
Due to brokers - payables for securities purchased		1,057	2,772	-	-	-	27,386	5,001	3,983
<b>Total liabilities</b>		<b>5,615</b>	<b>6,203</b>	<b>248</b>	<b>5,288</b>	<b>5,337</b>	<b>29,388</b>	<b>8,643</b>	<b>11,485</b>
<b>Net assets attributable to unitholders (equity)</b>	4	<b>1,101,658</b>	<b>912,601</b>	<b>702,192</b>	<b>1,177,916</b>	<b>1,632,222</b>	<b>1,633,437</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>703,472</b>	<b>558,401</b>

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000
<b>Assets</b>							
Cash and cash equivalents		-	-	2,975	7,565	33,308	21,724
Margin accounts		60	270	51	94	14,528	713
Receivables		5,188	3,248	180	1,204	3,060	91
Accrued income		-	-	-	-	-	3
Due from brokers - receivable for securities sold		37,153	173,821	5,872	19,009	3,921	23,537
Financial assets at fair value through profit or loss		9,392,975	8,345,194	1,204,829	1,157,935	1,130,669	955,657
<b>Total assets</b>		<b>9,435,376</b>	<b>8,522,533</b>	<b>1,213,907</b>	<b>1,185,807</b>	<b>1,185,486</b>	<b>1,001,725</b>
<b>Liabilities</b>							
Bank overdraft		7,372	21,965	-	-	-	-
Margin accounts		-	-	-	-	22,910	25,233
Distribution payable	5	72,808	109,866	10,199	15,339	30,869	5,162
Payables		41,018	28,173	392	286	256	244
Due to brokers - payables for securities purchased		60,016	135,361	7,603	14,401	37,423	55,199
Financial liabilities at fair value through profit or loss		-	-	-	-	50,798	10,639
<b>Total liabilities</b>		<b>181,214</b>	<b>295,365</b>	<b>18,194</b>	<b>30,026</b>	<b>142,256</b>	<b>96,477</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>9,254,162</b>	<b>8,227,168</b>	<b>1,195,713</b>	<b>1,155,781</b>	<b>1,043,230</b>	<b>905,248</b>

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

# Balance sheets (continued)

As at 31 December 2020

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		238,037	208,684	7,192	5,839	15,797	62,711
Margin accounts		703	1,289	294	366	158	894
Receivables		732	526	248	142	222	3,091
Due from brokers - receivable for securities sold		13,419	53,550	2,594	5,269	13,616	51,864
Financial assets at fair value through profit or loss		6,584,676	5,478,685	939,856	918,323	2,664,868	2,586,311
<b>Total assets</b>		<b>6,837,567</b>	<b>5,742,734</b>	<b>950,184</b>	<b>929,939</b>	<b>2,694,661</b>	<b>2,704,871</b>
<b>Liabilities</b>							
Margin accounts		127,730	138,880	-	-	53,460	65,630
Distribution payable	5	114,678	48,370	24,925	5,929	50,072	87,307
Payables		92,633	57,943	252	351	527	2,196
Due to brokers - payables for securities purchased		209,323	223,450	8,731	17,909	38,168	68,081
Financial liabilities at fair value through profit or loss		167,487	58,835	7,603	3,381	72,192	34,524
<b>Total liabilities</b>		<b>711,851</b>	<b>527,478</b>	<b>41,511</b>	<b>27,570</b>	<b>214,419</b>	<b>257,738</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>6,125,716</b>	<b>5,215,256</b>	<b>908,673</b>	<b>902,369</b>	<b>2,480,242</b>	<b>2,447,133</b>

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

# Statements of changes in equity

For the half-year ended 31 December 2020

Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
<b>Total equity at the beginning of the half-year</b>	<b>912,601</b>	621,034	<b>1,177,916</b>	1,260,458	<b>1,633,437</b>	1,306,777	-	-
<b>Comprehensive income for the half-year</b>								
Profit/(loss) for the half-year	51,894	4,004	2,509	7,246	181	6,342	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>51,894</b>	4,004	<b>2,509</b>	7,246	<b>181</b>	6,342	-	-
<b>Transactions with unitholders</b>								
Applications	279,654	63,523	336,599	255,279	409,044	90,403	-	-
Redemptions	(140,104)	(10,187)	(815,299)	(175,792)	(411,071)	(135,277)	-	-
Units issued upon reinvestment of distributions	2,838	3,511	2,615	9,986	634	8,378	-	-
Distributions paid and payable	(5,225)	(4,299)	(2,148)	(10,256)	(3)	(7,855)	-	-
<b>Total transactions with unitholders</b>	<b>137,163</b>	52,548	<b>(478,233)</b>	79,217	<b>(1,396)</b>	(44,351)	-	-
<b>Total equity at the end of the half-year</b>	<b>1,101,658</b>	677,586	<b>702,192</b>	1,346,921	<b>1,632,222</b>	1,268,768	-	-

Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
<b>Total equity at the beginning of the half-year</b>	-	-	-	-	-	-
<b>Comprehensive income for the half-year</b>						
Profit/(loss) for the half-year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Transactions with unitholders</b>						
Applications	-	-	-	-	-	-
Redemptions	-	-	-	-	-	-
Units issued upon reinvestment of distributions	-	-	-	-	-	-
Distributions paid and payable	-	-	-	-	-	-
<b>Total transactions with unitholders</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Total equity at the end of the half-year</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-

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

# Statements of changes in equity (continued)

For the half-year ended 31 December 2020

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		-	-	-	-	-	-
<b>Comprehensive income for the half-year</b>							
Profit/(loss) for the half-year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	-	-	-
<b>Transactions with unitholders</b>							
Applications		-	-	-	-	-	-
Redemptions		-	-	-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-	-	-
Distributions paid and payable		-	-	-	-	-	-
<b>Total transactions with unitholders</b>		-	-	-	-	-	-
<b>Total equity at the end of the half-year</b>		-	-	-	-	-	-

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

# Statements of cash flows

For the half-year ended 31 December 2020

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
<b>Cash flows from operating activities</b>								
Proceeds from sale of financial instruments at fair value through profit or loss	145,057	66,036	1,508,433	1,163,306	1,905,482	1,651,347	75,219	71,825
Purchases of financial instruments at fair value through profit or loss	(283,924)	(117,926)	(1,012,880)	(1,244,428)	(2,147,113)	(1,498,156)	(199,817)	(230,323)
Interest received	2	6	1	10	1	27	-	11
Other income received	56	-	6	-	2	4	209	336
Responsible Entity's fees paid	(1,476)	(954)	(1,580)	(1,922)	(1,233)	(963)	(820)	(769)
Operating expenses paid	(21)	(5)	(7)	(6)	(14)	(9)	(19)	(19)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(140,306)</b>	<b>(52,843)</b>	<b>493,973</b>	<b>(83,040)</b>	<b>(242,875)</b>	<b>152,250</b>	<b>(125,228)</b>	<b>(158,939)</b>
<b>Cash flows from financing activities</b>								
Proceeds from applications by unitholders	279,653	63,630	336,871	256,545	409,157	90,574	149,689	183,727
Payments for redemptions by unitholders	(140,158)	(9,925)	(818,391)	(171,010)	(406,003)	(135,305)	(17,199)	(18,240)
Distributions paid from operating activities	(1,266)	(315)	(822)	(1,671)	(71)	(1,174)	(9,473)	(6,021)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>138,229</b>	<b>53,390</b>	<b>(482,342)</b>	<b>83,864</b>	<b>3,083</b>	<b>(45,905)</b>	<b>123,017</b>	<b>159,466</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,077)</b>	<b>547</b>	<b>11,631</b>	<b>824</b>	<b>(239,792)</b>	<b>106,345</b>	<b>(2,211)</b>	<b>527</b>
Cash and cash equivalents at the beginning of the half-year	2,524	178	422	1,409	912,726	488,064	4,487	1,108
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	-	-	-	(1)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>447</b>	<b>725</b>	<b>12,053</b>	<b>2,233</b>	<b>672,934</b>	<b>594,409</b>	<b>2,276</b>	<b>1,634</b>
Non-cash financing activities	2,838	3,511	2,615	9,986	634	8,378	464	246

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



# Statements of cash flows (continued)

For the half-year ended 31 December 2020

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Notes						
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments at fair value through profit or loss	1,560,580	669,733	321,823	191,458	530,545	248,424
Purchases of financial instruments at fair value through profit or loss	(2,466,424)	(1,918,353)	(354,624)	(490,784)	(665,311)	(609,383)
Interest received	11	32	1	13	3	41
Other income received	94	145	42	28	32	31
Responsible Entity's fees paid	(10,028)	(8,729)	(1,315)	(1,090)	(1,356)	(733)
Operating expenses paid	(69)	(96)	(19)	(21)	(126)	(112)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(915,836)</b>	<b>(1,257,268)</b>	<b>(34,092)</b>	<b>(300,396)</b>	<b>(136,213)</b>	<b>(361,732)</b>
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	1,645,702	1,544,385	212,148	443,459	250,016	379,793
Payments for redemptions by unitholders	(625,205)	(291,478)	(165,999)	(141,411)	(98,197)	(1,640)
Distributions paid from operating activities	(90,068)	(39,941)	(16,647)	(8,469)	(3,410)	(103)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>930,429</b>	<b>1,212,966</b>	<b>29,502</b>	<b>293,579</b>	<b>148,409</b>	<b>378,050</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14,593</b>	<b>(44,302)</b>	<b>(4,590)</b>	<b>(6,817)</b>	<b>12,196</b>	<b>16,318</b>
Cash and cash equivalents at the beginning of the half-year	(21,965)	43,801	7,565	7,696	21,724	15,874
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(612)	(234)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>(7,372)</b>	<b>(501)</b>	<b>2,975</b>	<b>879</b>	<b>33,308</b>	<b>31,958</b>
Non-cash financing activities	77,266	35,891	9,774	3,566	21,874	4,748

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

# Statements of cash flows (continued)

For the half-year ended 31 December 2020

Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments at fair value through profit or loss	2,838,991	1,090,732	279,423	161,034	682,618	363,077
Purchases of financial instruments at fair value through profit or loss	(3,723,956)	(1,913,370)	(272,203)	(193,049)	(706,188)	(600,355)
Transaction costs on purchases of financial instruments at fair value through profit or loss	(1)	-	-	-	-	-
Interest received	-	62	-	3	-	28
Other income received	134	133	55	94	102	102
Responsible Entity's fees paid	(6,711)	(5,468)	(1,414)	(1,439)	(3,089)	(2,813)
Operating expenses paid	(535)	(438)	(51)	(45)	(136)	(65)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(892,078)</b>	<b>(828,349)</b>	<b>5,810</b>	<b>(33,402)</b>	<b>(26,693)</b>	<b>(240,026)</b>
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	1,809,427	1,017,103	97,836	107,801	365,845	451,204
Payments for redemptions by unitholders	(880,939)	(140,162)	(69,432)	(73,869)	(252,596)	(171,836)
Distributions paid from operating activities	(9,882)	(823)	(32,264)	(5,761)	(133,008)	(9,969)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>918,606</b>	<b>876,118</b>	<b>(3,860)</b>	<b>28,171</b>	<b>(19,759)</b>	<b>269,399</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>26,528</b>	<b>47,769</b>	<b>1,950</b>	<b>(5,231)</b>	<b>(46,452)</b>	<b>29,373</b>
Cash and cash equivalents at the beginning of the half-year	208,684	42,011	5,839	11,152	62,711	16,284
Effects of foreign currency exchange rate changes on cash and cash equivalents	2,825	(616)	(597)	69	(462)	(892)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>238,037</b>	<b>89,164</b>	<b>7,192</b>	<b>5,990</b>	<b>15,797</b>	<b>44,765</b>
Non-cash financing activities	201,690	35,492	13,940	3,451	31,954	4,987

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

# Notes to the financial statements

For the half-year ended 31 December 2020

## 1 General information

These financial statements cover the Vanguard Wholesale Fixed Income Funds and ETFs (the “Funds”) as registered managed investment schemes. The respective constitution dates are as follows:

- Vanguard Australian Inflation-Linked Bond Index Fund 17 December 2010
- Vanguard Short Term Fixed Interest Fund (formerly known as Vanguard Cash Plus Fund) 21 July 1998
- Vanguard Cash Reserve Fund 9 August 2007
- Vanguard Australian Corporate Fixed Interest Index Fund 17 December 2010
- Vanguard Australian Fixed Interest Index Fund 6 December 1996
- Vanguard Australian Government Bond Index Fund 14 November 2008
- Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) 28 March 2017
- Vanguard Global Aggregate Bond Index Fund (Hedged) 28 March 2017
- Vanguard International Credit Securities Index Fund (Hedged) 11 December 2000
- Vanguard International Fixed Interest Index Fund (Hedged) 18 May 1999

The Responsible Entity of the Vanguard Wholesale Fixed Income Funds 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 Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund) seek to track the returns of the Funds’ respective indices, before taking into account fees, expenses and tax. Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund are actively managed and do not track or replicate the performance of the benchmark.

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

The financial statements were authorised for issue by the directors on 4 March 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Basis of preparation of interim report

These interim general purpose financial statements for the half-year ended 31 December 2020 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

This interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made in the respect of the Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

### **New accounting standards or amendments adopted by the Funds**

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2020 that would be expected to have a material impact on the Funds.

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 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)
- Derivative financial instruments

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:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) 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 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 half-year ended 31 December 2020

## 3 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 31 December 2020 and 30 June 2020.

	Vanguard Australian Inflation-Linked Bond Index Fund							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed interest securities	-	1,104,730	-	1,104,730	-	914,730	-	914,730
<b>Total</b>	-	1,104,730	-	1,104,730	-	914,730	-	914,730

	Vanguard Short Term Fixed Interest Fund							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed interest securities	-	553,229	-	553,229	-	908,001	-	908,001
Money market securities	-	136,947	-	136,947	-	273,735	-	273,735
<b>Total</b>	-	690,176	-	690,176	-	1,181,736	-	1,181,736

	Vanguard Cash Reserve Fund							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	4	-	-	4	4	-	-	4
Fixed interest securities	-	917,344	-	917,344	-	673,679	-	673,679
Money market securities	44,994	-	-	44,994	74,999	-	-	74,999
<b>Total</b>	44,998	917,344	-	962,342	75,003	673,679	-	748,682

	Vanguard Australian Corporate Fixed Interest Index Fund							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	27	-	-	27	-	-	-	-
Fixed interest securities	-	705,489	-	705,489	-	558,025	-	558,025
<b>Total</b>	27	705,489	-	705,516	-	558,025	-	558,025

	Vanguard Australian Fixed Interest Index Fund							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed interest securities	-	9,392,975	-	9,392,975	-	8,345,194	-	8,345,194
<b>Total</b>	-	9,392,975	-	9,392,975	-	8,345,194	-	8,345,194

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard Australian Government Bond Index Fund							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Fixed interest securities	-	1,204,829	-	1,204,829	-	1,157,935	-	1,157,935
<b>Total</b>	<b>-</b>	<b>1,204,829</b>	<b>-</b>	<b>1,204,829</b>	<b>-</b>	<b>1,157,935</b>	<b>-</b>	<b>1,157,935</b>

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	26	70,030	-	70,056	43	38,631	-	38,674
Fixed interest securities	-	1,059,264	-	1,059,264	-	916,983	-	916,983
Money market securities	-	1,349	-	1,349	-	-	-	-
<b>Total</b>	<b>26</b>	<b>1,130,643</b>	<b>-</b>	<b>1,130,669</b>	<b>43</b>	<b>955,614</b>	<b>-</b>	<b>955,657</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	33	50,765	-	50,798	26	10,613	-	10,639
<b>Total</b>	<b>33</b>	<b>50,765</b>	<b>-</b>	<b>50,798</b>	<b>26</b>	<b>10,613</b>	<b>-</b>	<b>10,639</b>

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	102	375,929	-	376,031	16	214,256	-	214,272
Fixed interest securities	-	6,187,817	14,737	6,202,554	-	5,262,522	-	5,262,522
Money market securities	-	6,091	-	6,091	-	1,891	-	1,891
<b>Total</b>	<b>102</b>	<b>6,569,837</b>	<b>14,737</b>	<b>6,584,676</b>	<b>16</b>	<b>5,478,669</b>	<b>-</b>	<b>5,478,685</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	28	167,459	-	167,487	10	58,825	-	58,835
<b>Total</b>	<b>28</b>	<b>167,459</b>	<b>-</b>	<b>167,487</b>	<b>10</b>	<b>58,825</b>	<b>-</b>	<b>58,835</b>

	Vanguard International Credit Securities Index Fund (Hedged)							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	25	40,434	-	40,459	8	31,569	-	31,577
Fixed interest securities	-	899,023	-	899,023	-	886,386	-	886,386
Money market securities	-	374	-	374	-	360	-	360
<b>Total</b>	<b>25</b>	<b>939,831</b>	<b>-</b>	<b>939,856</b>	<b>8</b>	<b>918,315</b>	<b>-</b>	<b>918,323</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	6	7,597	-	7,603	11	3,370	-	3,381
<b>Total</b>	<b>6</b>	<b>7,597</b>	<b>-</b>	<b>7,603</b>	<b>11</b>	<b>3,370</b>	<b>-</b>	<b>3,381</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 3 Fair value measurement (continued)

### Recognised fair value measurements (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)							
	31 Dec 2020				30 Jun 2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets at fair value through profit or loss</b>								
Derivatives	5	154,589	-	154,594	1	111,477	-	111,478
Fixed interest securities	-	2,503,301	-	2,503,301	-	2,473,048	-	2,473,048
Money market securities	-	6,973	-	6,973	-	1,785	-	1,785
<b>Total</b>	<b>5</b>	<b>2,664,863</b>	<b>-</b>	<b>2,664,868</b>	<b>1</b>	<b>2,586,310</b>	<b>-</b>	<b>2,586,311</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Derivatives	1	72,191	-	72,192	5	34,519	-	34,524
<b>Total</b>	<b>1</b>	<b>72,191</b>	<b>-</b>	<b>72,192</b>	<b>5</b>	<b>34,519</b>	<b>-</b>	<b>34,524</b>

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

Fixed interest securities classified as level 3 held by Vanguard Global Aggregate Bond Index (Hedged) were infrequently traded and valuation inputs for these securities were not therefore based on market observable inputs which resulted in the reclassification to level 3.

#### Transfers between levels

There were no transfers between the levels of the fair value hierarchy for the half-year ended 31 December 2020 and 30 June 2020.

There were no transfers into and out of level 3 during the reporting period.

#### Valuation processes

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

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

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 4 Net assets attributable to unitholders

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

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

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	748,322	515,153	912,601	621,034	1,154,879	1,234,367	1,177,916	1,260,458
Applications	221,925	51,755	279,654	63,523	329,795	249,816	336,599	255,279
Redemptions	(109,766)	(8,302)	(140,104)	(10,187)	(799,188)	(172,179)	(815,299)	(175,792)
Units issued upon reinvestment of distributions	2,307	2,883	2,838	3,511	2,564	9,782	2,615	9,986
Distributions paid and payable	-	-	(5,225)	(4,299)	-	-	(2,148)	(10,256)
Profit/(loss) for the half-year	-	-	51,894	4,004	-	-	2,509	7,246
<b>Closing balance as at 31 December</b>	<b>862,788</b>	<b>561,489</b>	<b>1,101,658</b>	<b>677,586</b>	<b>688,050</b>	<b>1,321,786</b>	<b>702,192</b>	<b>1,346,921</b>

	Vanguard Cash Reserve Fund			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,628,951	1,301,348	1,633,437	1,306,777
Applications	407,820	90,068	409,044	90,403
Redemptions	(409,844)	(134,722)	(411,071)	(135,277)
Units issued upon reinvestment of distributions	632	8,348	634	8,378
Distributions paid and payable	-	-	(3)	(7,855)
Profit/(loss) for the half-year	-	-	181	6,342
<b>Closing balance as at 31 December</b>	<b>1,627,559</b>	<b>1,265,042</b>	<b>1,632,222</b>	<b>1,268,768</b>

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	207,306	212,752	225,342	231,291	6,319	4,989	333,059	262,503
Applications	18,098	51,181	19,986	56,453	2,450	2,330	131,266	124,134
Redemptions	(15,685)	(16,552)	(17,249)	(18,234)	-	-	-	-
Units issued upon reinvestment of distributions	214	127	234	139	4	2	230	107
Increase/(decrease) in net assets attributable to unitholders	-	-	4,077	(308)	-	-	6,527	(1,047)
<b>Closing balance as at 31 December</b>	<b>209,933</b>	<b>247,508</b>	<b>232,390</b>	<b>269,341</b>	<b>8,773</b>	<b>7,321</b>	<b>471,082</b>	<b>385,697</b>

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	5,703,608	4,931,399	6,842,756	5,873,027	26,543	19,634	1,384,412	1,015,323
Applications	1,229,958	1,003,870	1,480,622	1,211,265	3,185	6,235	166,965	326,921
Redemptions	(529,390)	(260,230)	(637,813)	(313,691)	-	(20)	-	(1,049)
Units issued upon reinvestment of distributions	62,925	29,341	75,630	35,189	31	13	1,636	702
Increase/(decrease) in net assets attributable to unitholders	-	-	(50,007)	(52,620)	-	-	(10,039)	(12,243)
<b>Closing balance as at 31 December</b>	<b>6,467,101</b>	<b>5,704,380</b>	<b>7,711,188</b>	<b>6,753,170</b>	<b>29,759</b>	<b>25,862</b>	<b>1,542,974</b>	<b>1,329,654</b>



# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 4 Net assets attributable to unitholders (continued)

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	578,623	467,593	648,512	522,736	9,501	5,585	507,269	294,461
Applications	113,016	272,479	126,567	309,280	1,580	2,505	84,550	133,676
Redemptions	(138,097)	(121,416)	(154,599)	(136,650)	(215)	(90)	(11,496)	(4,798)
Units issued upon reinvestment of distributions	8,143	2,910	9,114	3,287	12	5	660	279
Increase/(decrease) in net assets attributable to unitholders	-	-	(10,009)	(12,402)	-	-	(4,855)	(4,785)
<b>Closing balance as at 31 December</b>	<b>561,685</b>	<b>621,566</b>	<b>619,585</b>	<b>686,251</b>	<b>10,878</b>	<b>8,005</b>	<b>576,128</b>	<b>418,833</b>

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	335	80	18,251	4,215	102,858	13,867	113,090	14,718
Applications	350	204	18,782	10,974	54,531	123,759	60,114	133,185
Redemptions	-	-	-	-	(20,647)	(105)	(22,698)	(113)
Units issued upon reinvestment of distributions	2	1	101	4	3,742	192	4,068	205
Increase/(decrease) in net assets attributable to unitholders	-	-	(702)	(64)	-	-	(4,350)	(463)
<b>Closing balance as at 31 December</b>	<b>687</b>	<b>285</b>	<b>36,432</b>	<b>15,129</b>	<b>140,484</b>	<b>137,713</b>	<b>150,224</b>	<b>147,532</b>

	NZD Hedged Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
	Balance as at 1 July	780,331	448,596	773,907
Applications	176,138	238,015	174,072	233,681
Redemptions	(77,097)	(1,543)	(75,473)	(1,527)
Units issued upon reinvestment of distributions	18,196	4,647	17,705	4,539
Increase/(decrease) in net assets attributable to unitholders	-	-	(33,637)	6,030
<b>Closing balance as at 31 December</b>	<b>897,568</b>	<b>689,715</b>	<b>856,574</b>	<b>681,887</b>

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	4,687,478	3,894,094	5,063,785	4,094,465	2,808	1,406	151,471	73,590
Applications	1,520,696	885,939	1,636,997	945,721	3,230	1,340	172,430	71,431
Redemptions	(851,068)	(117,227)	(915,385)	(125,155)	-	-	-	-
Units issued upon reinvestment of distributions	189,160	33,393	201,229	35,446	9	1	461	46
Increase/(decrease) in net assets attributable to unitholders	-	-	(177,706)	22,206	-	-	(7,566)	(178)
<b>Closing balance as at 31 December</b>	<b>5,546,266</b>	<b>4,696,199</b>	<b>5,808,920</b>	<b>4,972,683</b>	<b>6,047</b>	<b>2,747</b>	<b>316,796</b>	<b>144,889</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

## 4 Net assets attributable to unitholders (continued)

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	592,733	623,126	724,918	744,363	3,518	2,529	177,451	124,690
Applications	63,062	54,788	76,722	66,692	425	820	21,219	41,107
Redemptions	(56,735)	(60,676)	(69,318)	(73,821)	-	-	-	-
Units issued upon reinvestment of distributions	11,197	2,805	13,342	3,379	13	2	598	72
Increase/(decrease) in net assets attributable to unitholders	-	-	(29,086)	9,125	-	-	(7,173)	1,377
<b>Closing balance as at 31 December</b>	<b>610,257</b>	<b>620,043</b>	<b>716,578</b>	<b>749,738</b>	<b>3,956</b>	<b>3,351</b>	<b>192,095</b>	<b>167,246</b>

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000	31 Dec 2020 No. '000	31 Dec 2019 No. '000	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Balance as at 1 July	1,584,735	1,489,256	1,950,332	1,828,607	9,816	6,427	496,801	320,567
Applications	196,498	209,676	239,337	261,513	2,465	2,505	123,625	126,873
Redemptions	(205,116)	(127,713)	(250,927)	(159,199)	-	(245)	-	(12,254)
Units issued upon reinvestment of distributions	25,294	3,957	30,754	4,904	24	2	1,200	83
Increase/(decrease) in net assets attributable to unitholders	-	-	(85,853)	4,746	-	-	(25,027)	(220)
<b>Closing balance as at 31 December</b>	<b>1,601,411</b>	<b>1,575,176</b>	<b>1,883,643</b>	<b>1,940,571</b>	<b>12,305</b>	<b>8,689</b>	<b>596,599</b>	<b>435,049</b>

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard Australian Inflation-Linked Bond Index Fund, Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund 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 half-year ended 31 December 2020

## 5 Distributions to unitholders paid and payable

The distributions during the half-year were as follows:

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 31 July	-	-	-	-	800	0.0642	2,103	0.1639
- 31 August	-	-	-	-	242	0.0191	2,005	0.1525
- 30 September	941	0.1135	1,821	0.3287	367	0.0263	2,121	0.1582
- 31 October	-	-	-	-	225	0.0203	1,257	0.0964
- 30 November	-	-	-	-	514	0.0465	1,256	0.0957
Distributions payable								
- 31 December	4,284	0.4966	2,478	0.4413	-	-	1,514	0.1145
	<b>5,225</b>	<b>0.6101</b>	<b>4,299</b>	<b>0.7700</b>	<b>2,148</b>	<b>0.1764</b>	<b>10,256</b>	<b>0.7812</b>

	Vanguard Cash Reserve Fund			
	31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 31 July	3	0.0002	1,645	0.1312
- 31 August	-	-	1,866	0.1478
- 30 September	-	-	1,874	0.1476
- 31 October	-	-	895	0.0724
- 30 November	-	-	713	0.0575
Distributions payable				
- 31 December	-	-	862	0.0682
	<b>3</b>	<b>0.0002</b>	<b>7,855</b>	<b>0.6247</b>

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	968	0.4626	1,239	0.5381	1,593	21.8718	1,629	26.0298
Distributions payable								
- 31 December	1,152	0.5486	1,693	0.6842	2,281	25.9189	2,373	32.3187
	<b>2,120</b>	<b>1.0112</b>	<b>2,932</b>	<b>1.2223</b>	<b>3,874</b>	<b>47.7907</b>	<b>4,002</b>	<b>58.3485</b>

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	48,233	0.8079	28,633	0.5379	9,235	33.9368	5,492	23.6089
Distributions payable								
- 31 December	60,337	0.9330	44,082	0.7728	12,471	41.5627	8,797	33.7000
	<b>108,570</b>	<b>1.7409</b>	<b>72,715</b>	<b>1.3107</b>	<b>21,706</b>	<b>75.4995</b>	<b>14,289</b>	<b>57.3089</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

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

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	8,017	1.4806	6,456	1.0314	3,065	28.7826	1,648	23.5470
Distributions payable								
- 31 December	5,200	0.9257	4,879	0.7849	4,999	45.6386	2,997	37.1213
	<b>13,217</b>	<b>2.4063</b>	<b>11,335</b>	<b>1.8163</b>	<b>8,064</b>	<b>74.4212</b>	<b>4,645</b>	<b>60.6683</b>

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	576	156.2008	28	17.5118	3,128	2.6208	56	0.3575
Distributions payable								
- 31 December	446	64.4200	58	20.2688	2,793	1.9880	216	0.1565
	<b>1,022</b>	<b>220.6208</b>	<b>86</b>	<b>37.7806</b>	<b>5,921</b>	<b>4.6088</b>	<b>272</b>	<b>0.5140</b>

	NZD Hedged Class							
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September					16,418	1.8838	1,679	0.3190
Distributions payable								
- 31 December					27,630	3.0784	3,975	0.5764
					<b>44,048</b>	<b>4.9622</b>	<b>5,654</b>	<b>0.8954</b>

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	157,701	3.1501	15,185	0.3552	5,501	151.8773	359	16.0891
Distributions payable								
- 31 December	108,926	1.9640	23,084	0.4915	5,752	94.9284	656	23.6938
	<b>266,627</b>	<b>5.1141</b>	<b>38,269</b>	<b>0.8467</b>	<b>11,253</b>	<b>246.8057</b>	<b>1,015</b>	<b>39.7829</b>

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	31,869	5.5508	2,990	0.4730	8,406	229.4867	572	18.9845
Distributions payable								
- 31 December	20,108	3.2949	4,898	0.7900	4,817	121.6496	1,093	32.4781
	<b>51,977</b>	<b>8.8457</b>	<b>7,888</b>	<b>1.2630</b>	<b>13,223</b>	<b>351.1363</b>	<b>1,665</b>	<b>51.4626</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2020

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

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2020		31 Dec 2019		31 Dec 2020		31 Dec 2019	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	61,121	3.9180	4,977	0.3254	16,534	148.3558	952	12.9041
Distributions payable								
- 31 December	37,751	2.3573	7,477	0.4747	12,321	99.9824	1,631	18.6318
	<b>98,872</b>	<b>6.2753</b>	12,454	0.8001	<b>28,855</b>	<b>248.3382</b>	2,583	31.5359

## 6 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 31 December 2020 or on the results and cash flows of the Funds for the half-year ended on that date.

## 7 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2020 (30 June 2020: Nil).

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 25 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 31 December 2020 and of their performance, as represented by the results of their operations for the half-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.

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



F Kolimago

*Managing Director*

Melbourne

4 March 2021



## Independent auditor's review report

To the unitholders of:

- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Short Term Fixed Interest Fund (formerly known as Vanguard Cash Plus Fund)
- Vanguard Cash Reserve Fund
- Vanguard Australian Corporate Fixed Interest Index Fund\*
- Vanguard Australian Fixed Interest Index Fund\*
- Vanguard Australian Government Bond Index Fund\*
- Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)\*
- Vanguard Global Aggregate Bond Index Fund (Hedged)\*
- Vanguard International Credit Securities Index Fund (Hedged)\*
- Vanguard International Fixed Interest Index Fund (Hedged)\*

referred to collectively as the Vanguard Wholesale Fixed Income Funds and ETFs.

\* denotes listed Funds

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of the Vanguard Wholesale Fixed Income Funds and ETFs (the Funds) which comprises the balance sheets as at 31 December 2020, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors of the Responsible Entity' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Vanguard Wholesale Fixed Income Funds and ETFs does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Funds' financial positions as at 31 December 2020 and of their performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the

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Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Responsibility of the directors of the Responsible Entity for the half-year financial report*

The directors of the Responsible Entity are responsible for the preparation of the half-year 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 determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

*Auditor's responsibility for the review of the half-year financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial positions as at 31 December 2020 and of their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Britt Hawkins*

Britt Hawkins  
Partner

Melbourne  
4 March 2021



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