

Supplementary Product Disclosure Statement

for the Vanguard® Active ETFs

21 May 2021

Vanguard Investments Australia Ltd has released a Supplementary Product Disclosure Statement (SPDS) for the Vanguard ETFs:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	VMIN	Supplementary Product Disclosure Statement
Vanguard Global Value Equity Active ETF (Managed Fund)	VVLU	Supplementary Product Disclosure Statement
Vanguard Global Multi-Factor Active ETF (Managed Fund)	VGMF	Supplementary Product Disclosure Statement

The Supplementary Product Disclosure Statement dated 21 May 2021 is attached and available on the Vanguard website. The SPDS should be read in conjunction with the Product Disclosure Statement dated 10 July 2020.

If you do not have access to the internet, please contact Vanguard Client Services on 1300 655 888. A paper copy will be provided free of charge on request.

Further Information

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

Vanguard ETFs will only be issued to Authorised Participants - that is persons who have entered into an Authorised Participant agreement with Vanguard. Retail investors can transact in Vanguard ETFs through a stockbroker or financial adviser on the secondary market. Investors should consider both the Supplementary Product Disclosure Statement and the current Product Disclosure Statement in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Product Disclosure Statement for informational purposes only.

© 2021 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) is the product issuer, and is a wholly owned subsidiary of The Vanguard Group, Inc. based in the US. All rights reserved.

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

Supplementary Product Disclosure Statement

Dated: 21 May 2021

Issued by: Vanguard Investments Australia Ltd, (ABN 72 072 881 086 / AFS Licence 227263)

Vanguard Global Minimum Volatility Active ETF (Managed Fund)	(ASX code: VMIN)
Vanguard Global Value Equity Active ETF (Managed Fund)	(ASX code: VVLU)
Vanguard Global Multi-Factor Active ETF (Managed Fund)	(ASX code: VGMF)

About this document

This document is a Supplementary Product Disclosure Statement issued by Vanguard Investments Australia Ltd (**Vanguard**). This Supplementary Product Disclosure Statement dated 21 May 2021 (**SPDS**) updates the Product Disclosure Statement for the:

- Vanguard Global Minimum Volatility Active ETF (Managed Fund) (ASX code: VMIN)
- Vanguard Global Value Equity Active ETF (Managed Fund) (ASX code: VVLU)
- Vanguard Global Multi-Factor Active ETF (Managed Fund) (ASX code: VGMF)

dated 10 July 2020 (**PDS**).

Each of the products mentioned above are admitted to Trading Status on the Australian Securities Exchange (**ASX**) and are able to be traded on that market. This SPDS is to read together with the PDS. Words and expressions defined in the PDS have the same meaning in this SPDS.

Except to the extent amended by this SPDS or updated on our website, the PDS remains in full force.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) and released to the ASX. Neither ASIC nor the ASX take any responsibility for the contents of this SPDS.

On page 4 of the PDS:

The section titled "About Vanguard" is replaced as follows:

1. About Vanguard

Vanguard Investments Australia Ltd (Vanguard) is a wholly owned subsidiary of The Vanguard Group, Inc. The Vanguard Group, Inc. is one of the world's largest global investment management companies, with more than AUD \$9.8 trillion in assets under management as of 31 March 2021. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 25 years.

On page 4 of the PDS:

In the Fund Profile for the Vanguard Global Minimum Volatility Active ETF, the sections titled "**Investment objective, Investment strategy and Investment universe**" are replaced with the following:

Investment objective

The investment strategy of the Fund seeks to provide long-term capital appreciation through an active management approach with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax. The Fund does not seek to track the benchmark.

Investment strategy

The Fund invests primarily in a group of global equity common stocks that together are deemed by the portfolio manager to have the potential to generate lower volatility relative to the broad equity markets. The portfolio includes a diverse mix of companies representing many different market sectors, countries, and industry groups. The portfolio manager uses a rules-based quantitative model to evaluate the securities in the investment universe that seeks to achieve the lowest amount of expected volatility subject to a set of reasonable constraints designed to foster portfolio diversification and liquidity. The portfolio manager may also take into account other considerations when determining a security's weight in the portfolio.

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

Investment universe

The investment universe is comprised primarily of securities in the FTSE Global All-Cap Index. The index has around 7,600 stocks, and covers large, mid and small capitalisation stock globally across developed and emerging markets. The fund may also invest in securities that are not part of this index.

On page 5 of the PDS:

In the Fund Profile for the Vanguard Global Value Equity Active ETF, the sections titled “Investment objective, Investment strategy and Investment universe” are replaced as follows:

Investment objective

The Fund seeks to provide long term capital appreciation through an active management approach that invests in global equity securities demonstrating value characteristics. The Fund does not seek to track the benchmark.

Investment strategy

The Fund invests primarily in a group of global equity common stocks with the potential to generate higher returns relative to the broad equity market. The portfolio includes a diverse mix of companies representing many different market sectors, industry groups, and countries. The portfolio manager uses a rules-based quantitative model to evaluate the securities in the investment universe to construct an equity portfolio that seeks to achieve exposure to securities with lower prices relative to fundamental measures of value subject to a set of reasonable constraints designed to foster portfolio diversification and liquidity. Securities with lower prices relative to fundamental value may be identified by measures such as book to price, earnings to price, and cash flow to price ratios. The portfolio manager may also take into account other considerations when determining a security's weight in the portfolio.

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

Investment universe

This investment universe is drawn primarily from equity securities included in the FTSE Developed All Cap Index and the Russell 3000 Index. The FTSE Developed All-Cap Index is comprised of large, mid and small capitalisation securities in developed markets. The Russell 3000 Index is comprised of the 3,000 largest publicly held companies in the US and is used to provide more access to US mid and small capitalisation securities. The Fund may also invest in securities that are not part of these indices.

On page 6 of the PDS:

In the Fund Profile for the Vanguard Global Multi-Factor Active ETF, the section titled “Investment objective, Investment strategy and Investment universe”, are replaced as follows:

Investment objective

The Fund seeks to provide long-term capital appreciation through an active management approach and aims to outperform the FTSE Developed All-Cap Index (with net dividends reinvested) in Australian dollars Index before taking into account fees, expenses and tax. The Fund does not seek to track the benchmark.

Investment strategy

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

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

The portfolio includes a diverse mix of companies representing many different market sectors, industry groups, and countries. The portfolio manager uses a rules-based quantitative model to evaluate the securities in the investment universe to construct an equity portfolio that seeks to achieve exposure to the targeted factors subject to a set of reasonable constraints designed to foster portfolio diversification and liquidity. The portfolio manager may also take into account other considerations when determining a security's weight in the portfolio.

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

Investment universe

This investment universe is drawn primarily from equity securities included in the FTSE Developed All Cap Index and the Russell 3000 Index. The FTSE Developed All-Cap Index is comprised of large, mid and small capitalisation securities in developed markets. The Russell 3000 Index is comprised of the 3,000 largest publicly held companies in the US and is used to provide more access to US mid and small capitalisation securities. The Fund may also invest in securities that are not part of these indices.

On page 6 of the PDS:

In the Fund Profile for the Vanguard Global Multi-Factor Active ETF, the section titled “Benefits of investing in the Vanguard Global Multi-Factor Active ETF” is replaced as follows:

Benefits of investing in the Vanguard Global Multi-Factor Active ETF

Disciplined and systematic approach	The Fund aims to achieve long-term capital appreciation by using a rules-based quantitative process that primarily targets the factors value, momentum and quality.
Diversified	The Fund invests in a diversified portfolio of global equities.
Global scale and expertise	The Fund offers access to investment expertise from Vanguard's international trading hubs and deep research expertise.
Enjoy the low costs expected from Vanguard	Investors can't control the markets, but they can control the costs of investing. Providing low cost investments isn't a pricing strategy for us. It's how we do business. Vanguard's scale also helps to keep costs low.

On page 19 of the PDS:

The paragraph titled “Vanguard as the responsible entity” is replaced as follows:

Vanguard as the responsible entity

Vanguard, as the responsible entity, is responsible for the management and administration of the Funds. Vanguard holds an Australian Financial Services Licence (AFSL 227263) that authorises it to act as the responsible entity of the Funds. The powers and duties of Vanguard are set out in the constitution of each Fund, the *Corporations Act* and general trust law. The duties of Vanguard under the *Corporations Act* include:

- acting in the best interests of investors and, if there is a conflict between investors' interests and Vanguard's interests, giving priority to investors' interests
- ensuring that Fund property is clearly identified as Fund property and held separately from property of Vanguard and property of any other fund, and is valued at regular intervals
- ensuring that payments out of Fund property are made in accordance with the *Corporations Act*
- reporting to ASIC any significant breach or likely breach of an obligation under the general AFSL conditions under section 912A of the *Corporations Act* and any breach of the *Corporations Act* that relates to the Fund and has had, or is likely to have, a materially adverse effect on the interests of investors.

Vanguard has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Funds. Vanguard has appointed other entities within the Vanguard group of companies to provide investment management related services to the Underlying Funds.

As at the date of this PDS, Vanguard is the investment manager for the Funds. Vanguard will transition its role as investment manager of the Funds to Vanguard Global Advisers, LLC at a later date. Details on when this transition will occur will be made available by notice on our website.

Connect with Vanguard™ > vanguard.com.au > 1300 655 101

In preparing the above information, your circumstances have not been taken into account and it may therefore not be applicable to your situation. Before making an investment decision, you should consider your circumstances and whether the above information is applicable to your situation. 'Vanguard', 'Vanguard Investments', 'LifeStrategy' and the ship logo are the registered trademarks of The Vanguard Group, Inc.

Copyright 2021. Vanguard Investments Australia Ltd. Level 13, 130 Lonsdale Street Melbourne Vic 3000. All rights reserved.